



KUALA LUMPUR KEPONG BERHAD

(15043-V)
(Incorporated in Malaysia)

**Interim Financial Report
For the second quarter ended 31 March 2010**



KUALA LUMPUR KEPONG BERHAD

(15043-V)
(Incorporated in Malaysia)

Condensed Consolidated Income Statement For the second quarter ended 31 March 2010

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Revenue	1,901,301	1,438,560	3,649,017	3,321,442
Operating expenses	(1,619,352)	(1,275,326)	(3,059,783)	(3,056,911)
Other operating income	18,399	1,858	52,449	56,217
Finance costs	(14,140)	(17,053)	(29,014)	(35,863)
Share of results of associates	13,256	10,069	16,265	20,317
Profit before taxation	299,464	158,108	628,934	305,202
Tax expense	(71,246)	(41,473)	(145,113)	(119,072)
Net profit for the period	<u>228,218</u>	<u>116,635</u>	<u>483,821</u>	<u>186,130</u>
Attributable to :-				
Equity holders of the Company	215,938	112,681	457,754	178,526
Minority interests	12,280	3,954	26,067	7,604
	<u>228,218</u>	<u>116,635</u>	<u>483,821</u>	<u>186,130</u>
	Sen	Sen	Sen	Sen
Earnings per share - Basic	<u>20.28</u>	<u>10.58</u>	<u>42.98</u>	<u>16.76</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

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Condensed Consolidated Balance Sheet

As at 31 March 2010

(The figures have not been audited.)

	31 March 2010	30 September 2009
	RM'000	RM'000
Assets		
Property, plant and equipment	2,444,368	2,487,800
Investment properties	5,067	5,086
Prepaid lease payments	358,035	357,441
Biological assets	1,656,311	1,575,878
Land held for property development	196,527	195,790
Goodwill on consolidation	293,272	296,950
Intangible assets	27,429	31,577
Investments in associates	197,682	210,379
Other investments	274,406	244,452
Deferred tax assets	11,506	9,833
Total non-current assets	<u>5,464,603</u>	<u>5,415,186</u>
Inventories	972,875	882,050
Biological assets	959	4,260
Trade and other receivables	874,822	929,186
Tax recoverable	13,072	19,302
Property development costs	14,222	18,735
Assets held for sale	43,131	43,131
Cash and cash equivalents	1,206,188	1,292,481
Total current assets	<u>3,125,269</u>	<u>3,189,145</u>
Total assets	<u>8,589,872</u>	<u>8,604,331</u>
Equity		
Share capital	1,067,505	1,067,505
Reserves	4,655,452	4,579,951
	<u>5,722,957</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>5,709,510</u>	<u>5,634,009</u>
Minority interests	309,794	308,760
Total equity	<u>6,019,304</u>	<u>5,942,769</u>
Liabilities		
Deferred tax liabilities	250,900	251,072
Provision for retirement benefits	41,809	44,165
Borrowings	1,089,267	1,122,726
Total non-current liabilities	<u>1,381,976</u>	<u>1,417,963</u>
Trade and other payables	666,938	573,662
Borrowings	456,249	627,427
Tax payable	65,405	42,510
Total current liabilities	<u>1,188,592</u>	<u>1,243,599</u>
Total liabilities	<u>2,570,568</u>	<u>2,661,562</u>
Total equity and liabilities	<u>8,589,872</u>	<u>8,604,331</u>
Net assets per share attributable to equity holders of the Company (RM)	5.36	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 second quarter ended 31 March 2010

(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	-	1,649	-	(2)	(62,608)	(1,803)	-	(62,764)	(7,042)	(69,806)
Net profit for the period	-	-	-	-	-	457,754	-	457,754	26,067	483,821
Dividend paid	-	-	-	-	-	(319,489)	-	(319,489)	-	(319,489)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(17,991)	(17,991)
At 31 March 2010	<u>1,067,505</u>	<u>881,780</u>	<u>81,121</u>	<u>27,713</u>	<u>131,634</u>	<u>3,533,204</u>	<u>(13,447)</u>	<u>5,709,510</u>	<u>309,794</u>	<u>6,019,304</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	-	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)
Dividends 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>

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**

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**Condensed Consolidated Cash Flow Statement
For the second quarter ended 31 March 2010**

(The figures have not been audited.)

	6 months ended	
	31 March	
	2010	2009
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	628,934	305,202
Adjustment for non-cash flow :-		
Non-cash items	66,599	238,500
Non-operating items	9,850	15,502
Operating profit before working capital changes	705,383	559,204
Working capital changes :-		
Net change in current assets	(49,700)	427,308
Net change in current liabilities	68,776	(116,513)
Cash generated from operations	724,459	869,999
Interest paid	(28,019)	(30,196)
Tax paid	(115,157)	(212,436)
Retirement benefits paid	(2,908)	(680)
Net cash generated from operating activities	<u>578,375</u>	<u>626,687</u>
Cash Flows from Investing Activities		
Equity investments	13,861	56,360
Other investments	(160,765)	(138,035)
Net cash used in investing activities	<u>(146,904)</u>	<u>(81,675)</u>
Cash Flows from Financing Activities		
Bank borrowings	(183,126)	109,652
Dividend paid to shareholders of the Company	(319,489)	(465,922)
Dividends paid to minority shareholders	(17,991)	(2,352)
Issue of shares to minority shareholders	-	15,000
Net cash used in financing activities	<u>(520,606)</u>	<u>(343,622)</u>
Net (decrease)/increase in cash and cash equivalents	(89,135)	201,390
Cash and cash equivalents at 1 October	1,274,677	1,132,962
	1,185,542	1,334,352
Foreign exchange difference on opening balance	(4,619)	(22,789)
Cash and cash equivalents at 31 March	<u>1,180,923</u>	<u>1,311,563</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

	6 months ended 31 March	
	2010	2009
	RM'000	RM'000
Dividend proposed in Year 2009, paid in Year 2010 :-		
Final 30 sen per share single tier	319,489	-
(2009 : 45 sen gross per share less 25% income tax; and	-	359,426
10 sen per share tax exempt)	-	106,496
	<u>319,489</u>	<u>465,922</u>

Dividends are paid on the number of outstanding shares in issue and fully paid of 1,064,965,692 (2009 : 1,064,965,692).

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.



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Notes to Interim Financial Report

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(a) Segment revenue and results

	Plantations	Manufacturing	Retailing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 March 2010							
Revenue							
External revenue	1,805,285	1,420,661	372,535	15,165	35,371	-	3,649,017
Inter-segment revenue	121,680	9,594	-	-	14,832	(146,106)	-
Total revenue	1,926,965	1,430,255	372,535	15,165	50,203	(146,106)	3,649,017
Results							
Operating results	503,624	60,535	32,677	3,525	24,608	-	624,969
Finance costs	(318)	(8,019)	(415)	-	(20,262)	-	(29,014)
Share of results of associates	8,345	8,741	-	(423)	(398)	-	16,265
Segment results	511,651	61,257	32,262	3,102	3,948	-	612,220
Corporate income							16,714
Profit before taxation							628,934
6 months ended 31 March 2009							
Revenue							
External revenue	1,652,747	1,245,581	364,150	23,882	35,082	-	3,321,442
Inter-segment revenue	131,980	9,050	43	-	13,629	(154,702)	-
Total revenue	1,784,727	1,254,631	364,193	23,882	48,711	(154,702)	3,321,442
Results (restated)							
Operating results	478,675	89	(9,001)	6,822	23,503	-	500,088
Finance costs	(628)	(12,955)	(1,898)	-	(20,382)	-	(35,863)
Share of results of associates	11,584	8,902	-	(169)	-	-	20,317
Segment results	489,631	(3,964)	(10,899)	6,653	3,121	-	484,542
Corporate expense							(179,340)
Profit before taxation							305,202

(b) Segment assets

	Plantations	Manufacturing	Retailing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 March 2010						
Operating assets	3,762,561	2,655,308	351,157	341,122	1,257,464	8,367,612
Associates	51,717	115,455	-	17,023	13,487	197,682
Segment assets	3,814,278	2,770,763	351,157	358,145	1,270,951	8,565,294
Tax assets						24,578
Total assets						8,589,872
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	3,793,023	2,713,594	350,142	377,828	1,340,609	8,575,196
Tax assets						29,135
Total assets						8,604,331



Notes to Interim Financial Report

(Continued)

A8. Events Subsequent to Balance Sheet Date

- (a) On 20 April 2010 and 5 May 2010, the Company acquired two shelf companies incorporated in Germany, namely Rheinsee 311.V V GmbH ("Rheinsee 311") and Rheinsee 312.V V GmbH ("Rheinsee 312") respectively.

Rheinsee 311 and Rheinsee 312 have an issued and paid-up share capital of Euro25,000 each and are currently non-operational.

The intended activities of these two companies are the manufacture and sale of oleochemicals.

- (b) On 7 May 2010, the Company together with its wholly-owned subsidiaries, Rheinsee 311 (to be renamed KLK Emmerich GmbH ("KLKE")) and Rheinsee 312 entered into a conditional sale and purchase agreement with Croda GmbH and Novarom GmbH ("Partnership Sellers"), Croda Chemicals International Limited ("the Business Seller") and Croda International Plc in relation to :-

- (i) the acquisition by KLKE of the entire partnership interests of Uniqema GmbH & Co. KG ("UG") ("Partner Interests") from the Partnership Sellers; and
- (ii) the acquisition by KLKE of certain business assets which are directly used in or for the business carried out by UG at its oleochemical site at Emmerich, Germany ("the Business Assets") from the Business Seller.

UG's business is in the manufacture of basic oleochemicals (fatty acids and glycerine) which are used by a wide variety of industries as intermediates for the manufacture of food additives, detergents, fabric softeners, cosmetics, lubricants, plastic additives, etc.

The cash consideration for the Partner Interests and Business Assets shall be based on an enterprise value of Euro60.5 million on a debt free cash free basis, and be subject to adjustments following the completion of the acquisition.

The proposed acquisition is subject to the approvals of the German Federal Cartel Office and Bank Negara Malaysia.

Barring any unforeseen circumstances, the proposed acquisition is expected to be completed by the third quarter of calendar year 2010.

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

2nd Quarter FY2010 vs 2nd Quarter FY2009

For the 2nd quarter, the Group recorded a sharp rise of 89.4% in the pre-tax profit to RM299.5 million compared to the same quarter last year. Plantations profit rose 41.8% to RM277.3 million which was achieved through favourable commodity prices as well as higher crop production of both FFB and rubber. The CPO average selling price (ex-mill) was RM2,509/mt (2QFY2009 : RM2,072/mt) and that of all grades rubber (ex-factory) was RM9.56/kg (2QFY2009 : RM6.03/kg). With the stronger performance from oleochemical division, the manufacturing sector's profit was substantially higher at RM40.0 million (2QFY2009 : RM3.8 million). The retailing sector reported a 50.1% reduction in loss to RM19.9 million. For the current quarter, there was a write-back of RM13.2 million on the allowance for diminution in value of investment.



Notes to Interim Financial Report

(Continued)

Todate 2nd Quarter FY2010 vs Todate 2nd Quarter FY2009

The Group's interim profit before taxation surged 106.1% to RM628.9 million from that of the previous year. The following had contributed to the improved results :-

- (i) plantations profit was up 4.5% to RM511.7 million with improved contribution from the rubber segment due to the increase in selling price (ex-factory) of all grades rubber to RM8.70/kg (Todate 2QFY2009 : RM7.06/kg). Despite the increase in CPO selling price (ex-mill) to RM2,319/mt (Todate 2QFY2009 : RM2,240/mt), the palm products segment registered a marginally lower profit due to the high cost of bringing new fields into harvesting in Kalimantan Timur and the continuing rehabilitation work in Sumatera Utara;
- (ii) manufacturing sector achieved a profit of RM61.3 million on the back of a higher turnover (Todate 2QFY2009 : loss RM4.0 million);
- (iii) retailing sector registered a profit of RM32.3 million (Todate 2QFY2009 : loss RM10.9 million) which came from higher revenue and lower operating expenses; and
- (iv) write-back of RM32.5 million on the allowance for diminution in value of investment as against preceding year's allowance of RM163.4 million.

B2. Variation of Results to Preceding Quarter

2nd Quarter FY2010 vs 1st Quarter FY2010

The Group's 2nd Quarter's pre-tax profit fell 9.1% to RM299.5 million compared to the preceding quarter. Plantations profit had improved to RM277.3 million (1QFY2010 : RM234.4 million) mainly due to better commodity prices. The oleochemical division registered higher earnings of RM47.1 million (1QFY2010 : RM29.9 million) owing to better demand. However, the retailing sector incurred a loss of RM19.9 million (1QFY2010 : profit RM52.2 million) due to seasonal factors.

B3. Current Year Prospects

The Group anticipates the results for the current financial year to be much better based on the following:-

- (i) plantations profit will continue to be satisfactory in view of the prevailing commodity prices and the expected higher FFB production; and
- (ii) improvement in the performance of the oleochemical 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.



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Notes to Interim Financial Report

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B5. Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian taxation	43,150	33,375	85,854	86,593
Overseas taxation	27,781	4,724	60,780	26,886
	<u>70,931</u>	<u>38,099</u>	<u>146,634</u>	<u>113,479</u>
Deferred tax				
Relating to origination and reversal of temporary differences	206	3,210	(30)	2,685
	<u>71,137</u>	<u>41,309</u>	<u>146,604</u>	<u>116,164</u>
(Over)/Under provision in respect of previous years				
Malaysian taxation	(65)	15	(83)	795
Overseas taxation	174	149	(1,408)	2,113
	<u>109</u>	<u>164</u>	<u>(1,491)</u>	<u>2,908</u>
	<u><u>71,246</u></u>	<u><u>41,473</u></u>	<u><u>145,113</u></u>	<u><u>119,072</u></u>

The effective tax rates for the current quarter and financial year-to-date are 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 March 2010 (31 March 2009 : Nil).

(b) Sale of properties

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Surplus arising from government acquisition of land	-	-	-	1,162

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 March		6 months ended 31 March	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Purchases of quoted securities	<u>2,846</u>	<u>1,079</u>	<u>3,837</u>	<u>7,658</u>
Sales proceeds of quoted securities	<u>1,640</u>	<u>6,492</u>	<u>4,580</u>	<u>17,549</u>
Surplus on sales of quoted securities	<u>377</u>	<u>2,820</u>	<u>652</u>	<u>2,456</u>



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

	31 March 2010	30 September 2009
	RM'000	RM'000
At cost		
Associate	37,838	37,838
Other investments	351,596	353,892
	<u>389,434</u>	<u>391,730</u>
At carrying value less allowance		
Associate	-	-
Other investments	273,467	243,476
	<u>273,467</u>	<u>243,476</u>
At market value		
Associate	25,948	14,435
Other investments	285,633	249,980
	<u>311,581</u>	<u>264,415</u>

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 2011 and 3 April 2011 respectively.

B9. Group Borrowings

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

	31 March 2010		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	4,182	Rmb8,716	1,901	Rmb3,716
- Unsecured	21,879	USD6,680	199,953	USD57,330
	22,262	GBP4,517	27,941	GBP5,033
	52,778	Rmb110,000	76,725	Rmb150,000
	<u>70,416</u>		<u>74,083</u>	
	<u>167,335</u>		<u>378,702</u>	
	<u>171,517</u>		<u>380,603</u>	



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	31 March 2010		30 September 2009	
	Amount in Foreign Currency		Amount in Foreign Currency	
	RM'000	'000	RM'000	'000
(ii) Bank Overdraft				
- Secured	10,497	Euro2,385	-	
- Unsecured	10,774	GBP2,186	10,657	GBP1,919
	3,994	HKD9,484	4,058	HKD9,017
	-		3,089	CAD963
	14,768		17,804	
	25,265		17,804	
(iii) Short Term Borrowings				
- Secured	39,611	Euro9,000	45,802	Euro9,000
- Unsecured	45,853	USD14,000	48,901	USD14,000
	9,596	Rmb20,000	10,230	Rmb20,000
	-		376	Euro74
	164,407		123,711	
	219,856		183,218	
	259,467		229,020	
Total repayable within 12 months	456,249		627,427	
(b) Repayable after 12 months :-				
(i) Term Loans				
- Secured	3,563	Rmb7,426	4,749	Rmb9,284
- Unsecured	73,039	USD22,330	89,233	USD25,670
	205	GBP41	240	GBP43
	512,460		528,504	
	585,704		617,977	
	589,267		622,726	
(ii) Islamic Medium Term Notes				
- Unsecured	500,000		500,000	
Total repayable after 12 months	1,089,267		1,122,726	

B10. Financial Instruments with Off Balance Sheet Risk

(a) The forward exchange contracts entered into by the Group as at 19 May 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	2.1	10.5	10.5	-
	EURO	26.0	115.2	115.2	-
	USD	235.5	779.1	779.1	-
Purchase contracts	USD	7.1	23.7	23.3	0.4

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.



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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 19 May 2010 (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>47.3</u>	<u>47.3</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 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) An interim single tier dividend of 15 sen per share has been declared by the Directors in respect of the financial year ending 30 September 2010 (2009 : single tier dividend of 10 sen per share) and will be paid on 9 August 2010 to shareholders registered on the Company's Register of Members as at 16 July 2010.



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A Depositor with the Bursa Malaysia Depository Sdn Bhd 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 2010 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 2010 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 15 sen per share (2009 : single tier dividend of 10 sen per share).

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.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	<u>215,938</u>	<u>112,681</u>	<u>457,754</u>	<u>178,526</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>20.28</u>	<u>10.58</u>	<u>42.98</u>	<u>16.76</u>

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 MIOU KIEN
FAN CHEE KUM
Company Secretaries

26 May 2010