

**KULIM (MALAYSIA) BERHAD**  
**(COMPANY NO: 23370-V)**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2006**

The figures have not been audited

Note

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		1 JUL - 30 SEPT 2006 RM'000	1 JUL - 30 SEPT 2005 RM'000	1 JAN - 30 SEPT 2006 RM'000	1 JAN - 30 SEPT 2005 RM'000
REVENUE	A8	523,079	325,287	1,320,795	997,351
EXPENSES EXCLUDING FINANCE COST & TAX		(477,282)	(313,676)	(1,131,729)	(918,323)
OTHER OPERATING INCOME / (LOSS)		4,547	18,757	10,004	25,133
<b>PROFIT FROM OPERATIONS</b>		<b>50,344</b>	<b>30,368</b>	<b>199,070</b>	<b>104,161</b>
FINANCE COST		(17,200)	(9,071)	(44,211)	(22,474)
SHARE OF PROFIT IN ASSOCIATES		9,268	2,035	11,176	4,157
<b>PROFIT BEFORE TAXATION</b>	A8	<b>42,412</b>	<b>23,332</b>	<b>166,035</b>	<b>85,844</b>
INCOME TAX EXPENSE		(9,597)	(16,031)	(37,775)	(45,384)
<b>NET PROFIT FOR THE PERIOD</b>		<b>32,815</b>	<b>7,301</b>	<b>128,260</b>	<b>40,460</b>
<b>ATTRIBUTABLE TO :</b>					
<b>EQUITY HOLDERS OF THE COMPANY</b>		<b>21,073</b>	<b>3,056</b>	<b>100,344</b>	<b>25,865</b>
<b>MINORITY INTEREST</b>		<b>11,742</b>	<b>4,245</b>	<b>27,916</b>	<b>14,595</b>
<b>EARNINGS PER SHARE for profit attributable to the equity holders of the company during the year</b>		Sen	Sen	Sen	Sen
1. Basic		7.97	1.17	37.96	9.86
2. Fully Diluted		7.30	1.13	34.76	9.57

The Condensed Consolidated Income Statements and the accompanying explanatory notes attached to the interim financial statements for the year ended 31.12.2005

**KULIM (MALAYSIA) BERHAD**  
**(COMPANY NO: 23370-V)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**FOR PERIOD ENDED 30 SEPTEMBER 2006**

	Note	AS AT END OF CURRENT QUARTER 30 SEPTEMBER 2006  RM'000	AS AT PRECEDING FINANCIAL YEAR 31 DECEMBER 2005 (AUDITED)  RM'000
<b>NON CURRENT ASSETS</b>		<b>4,091,141</b>	<b>3,802,722</b>
Property, plant and equipment		2,445,938	2,409,783
Biological assets		580,602	667,278
Leases (prepaid lease payments)		313,507	147,059
Investment property		69,995	71,257
Investments in associates		409,579	82,612
Long term investments		14,779	421,948
Intangible assets			
Goodwill		242,125	-
Deferred expenditure		275	-
Deferred farm expenditure (agriculture/non-perennial crop)		3,729	2,615
Other intangibles (if any)		10,195	-
Deferred tax assets		417	170
<b>CURRENT ASSETS</b>		<b>754,465</b>	<b>599,538</b>
Investments/property held for sale		2,878	-
Inventories		187,160	151,334
Trade and other receivables		296,154	229,181
Tax recoverable		31,566	28,307
Other financial assets at fair value through profit or loss	B7	3,008	615
Cash and bank balances		233,699	190,101
<b>TOTAL ASSETS</b>		<b>4,845,606</b>	<b>4,402,260</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
<b>Share Capital</b>		132,611	132,011
Other reserves		2,512,923	2,530,781
Share premium account		138,706	218,974
Treasury shares		(961)	-
Revaluation and other reserves		1,414,167	1,441,470
Revenue reserves		961,011	870,337
		<b>2,645,534</b>	<b>2,662,792</b>
<b>POTENTIAL SHAREHOLDERS</b>			
Warrant reserve		<b>32,873</b>	<b>33,064</b>
<b>MINORITY INTEREST</b>		<b>389,550</b>	<b>179,847</b>
<b>TOTAL EQUITY</b>		<b>3,067,957</b>	<b>2,875,703</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>		<b>1,307,681</b>	<b>1,099,384</b>
Term loans	B9	1,071,831	870,830
Deferred tax liabilities		235,850	228,554
<b>CURRENT LIABILITIES</b>		<b>469,968</b>	<b>427,173</b>
Trade and other payables		182,988	156,283
Proposed dividend payable (if any)		9,589	-
Current income tax liabilities		8,808	5,187
Borrowings			
Term Loans due within the year/12 months	B9	80,080	122,058
Short-term borrowings	B9	188,503	143,645
<b>TOTAL LIABILITIES</b>		<b>1,777,649</b>	<b>1,526,557</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,845,606</b>	<b>4,402,260</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>11.57</b>	<b>10.89</b>

The Condensed Consolidated Balance Sheets and the accompanying explanatory notes attached to the interim financial statements for the year ended 31.12.2005

**KULIM (MALAYSIA) BERHAD**  
(COMPANY NO. 23370-V)  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2006**

	ISSUED & FULLY PAID ORDINARY SHARES ORDINARY SHARES OF RM0.50 EACH			NON-DISTRIBUTABLE			DISTRIBUTABLE	TOTAL CAPITAL & RESERVE	POTENTIAL SHAREHOLDERS	MINORITY INTEREST	TOTAL EQUITY
	NO. OF SHARES	NOMINAL VALUE RM'000	TREASURY SHARES RM'000	SHARE PREMIUM RM'000	SHARE OPTION RM'000	REVALUATION & OTHER RESERVES RM'000	RETAINED EARNINGS RM'000	RM'000	WARRANT RESERVE RM '000	RM'000	RM'000
Balance as at 1 January 2005 as previously reported	261,408,952	130,704		215,081		1,415,651	842,707	2,604,143	33,102	139,858	2,777,103
Movements during the period:											
Exercise of Warrants 1994-2004	51,567	27		144				171	(36)		135
ESOS 2004 - 2009	1,314,950	657		2,025				2,682			2,682
New /Rights issue of share/Additional acquisition of equity interest										5,769	5,769
Disposal of equity interest											-
Additional Rights issue expenses											-
Net profit for the period/year							25,865	25,865		14,630	40,495
Currency translation differences						13,792	0	13,792		2,453	16,245
Reserve arising from acquisition of additional equity interest in KBP						40		40			40
Net gain/(loss) not recognised in income statement	0.00	0.00		0.00		13,832		13,832		2,453	16,285
Dividends for the period/year							(14,157)	(14,157)		(15,839)	(29,996)
Balance as at 30 September 2005	<b>262,775,469</b>	<b>131,388</b>		<b>217,250</b>	<b>-</b>	<b>1,429,483</b>	<b>854,415</b>	<b>2,632,536</b>	<b>33,066</b>	<b>146,871</b>	<b>2,812,473</b>
Balance as at 1 January 2006 as previously reported	264,021,889	132,011		218,974		1,441,470	870,337	2,662,792	33,064	179,847	2,875,703
Share buy back	(364,900)		(961)					(961)			(961)
Exercise of warrants 1994-2004	272,434	136		752				888	(191)		697
ESOS 2004-2009	927,600	464		1,429				1,893			1,893
Employee remuneration (stock option)								-		193,523	193,523
New/Rights Issue of share/Additional acquisition of equity interest											(82,449)
Capital distribution through reduction of share premium account				(82,449)				(82,449)			(82,449)
Net profit for the period/year							100,344	100,344		27,609	127,953
Currency translation differences						(27,384)		(27,384)		(4,448)	(31,832)
Movement in reserves						81	(81)	0			-
Net gain/(loss) not recognised in income statement						(27,303)	(81)	(27,384)		(4,448)	(31,832)
Dividends for the period/year							(9,589)	(9,589)		(6,981)	(16,570)
Balance as at 30 September 2006	<b>264,857,023</b>	<b>132,611</b>	<b>(961)</b>	<b>138,706</b>	<b>-</b>	<b>1,414,167</b>	<b>961,011</b>	<b>2,645,534</b>	<b>32,873</b>	<b>389,550</b>	<b>3,067,957</b>

(The Condensed Consolidated Statements of Changes in Equity and the accompanying explanatory notes attached to the interim financial statements for the year ended 31.12.2005)

**KULIM (MALAYSIA) BERHAD**  
**(COMPANY NO: 23370-V)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2006**

**CURRENT**  
**QUARTER**  
**AS AT**  
**30 SEPTEMBER 2006**  
**RM'000**

**PRIOR YEAR**  
**UNAUDITED**  
**QUARTER AS AT**  
**30 SEPTEMBER 2005**  
**RM'000**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net profit attributable to shareholders	100,344	25,865
Non-cash items	31,969	166,104
Non-operating items (investing and financing)	47,721	7,077
<b>Operating profit before changes in working capital</b>	<b>180,034</b>	<b>199,046</b>

Changes in working capital		
Net changes in current assets	(78,856)	12,177
Net changes in current liabilities	(1,270)	(25,692)
<b>Cash generated from operations</b>	<b>99,908</b>	<b>185,531</b>

Interest received	3,189	2,869
Interest paid	(44,211)	(22,474)
Tax paid, net of refund	(34,268)	(43,605)
Dividends and investment income received	4,687	12,609
<b>Net cash flow from operating activities</b>	<b>29,305</b>	<b>134,930</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Equity investments	(84,411)	(326)
Other investments	(2,129)	(273,373)
Purchase of property, plant and equipment	(253,474)	(197,627)
Deferred farm expenditure	(1,114)	912
Initial & renewal of franchise fees	(1,267)	-
Share buy-back	(961)	-
Proceeds from disposal of property, plant and equipment	426	137
Proceeds from disposal of investments	212,380	11,287
<b>Net cash flow from investing activities</b>	<b>(130,550)</b>	<b>(458,990)</b>

**CASH FLOW FROM FINANCING ACTIVITIES**

Proceed from long term loan	91,642	183,532
Proceed from short term bank loan	42,868	63,100
Repayment of long term loan	(80,184)	(898)
Dividends paid to:		
Shareholders of Kulim (Malaysia) Berhad	-	(14,157)
Minority shareholders of subsidiaries	(10,014)	(13,974)
Exercise of warrants 1994-2004	697	135
ESOS 2004-2009	1,893	2,682
Issue of shares	513	200
Bank balances pledged to a bank	(353)	(487)
<b>Net cash flow from financing activities</b>	<b>47,062</b>	<b>220,133</b>

Net cash inflow/(outflow) from acquisition/(disposal) of subsidiaries	75,467	-
Net increase/(decrease) in cash and cash equivalents	21,284	(103,927)
Cash and cash equivalents at beginning of the year	178,130	164,165
Foreign Exchange differences on opening balances	(28)	2,172
<b>Cash and cash equivalents at end of the period</b>	<b>199,386</b>	<b>62,410</b>

**Cash and cash equivalents consists of the followings :-**

<b>Deposit with licenced Banks</b>	<b>161,390</b>	<b>6,659</b>
<b>Cash and Bank Balances</b>	<b>72,309</b>	<b>55,751</b>
	<b>233,699</b>	<b>62,410</b>
<b>Less : Bank overdraft</b>	<b>(10,586)</b>	<b>-</b>
<b>Amount pledged to banks</b>	<b>(23,727)</b>	<b>-</b>
	<b>199,386</b>	<b>62,410</b>

The Condensed Consolidated Cash Flow Statements the accompanying explanatory notes attached to the interim financial statements for the year ended 31.12.2005