



KULIM (MALAYSIA) BERHAD (23370-V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2010

**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

**CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2010**

	3 months ended		12 months ended	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Revenue	1,430,651	1,560,692	5,486,833	5,806,205
Expenses excluding finance cost & tax	(1,233,558)	(1,343,168)	(4,770,418)	(5,228,187)
Other operating income / (loss)	47,030	(48,081)	140,158	4,341
Profit from operations	244,123	169,443	856,573	582,359
Finance cost	(24,149)	(26,574)	(81,965)	(76,836)
Interest income	3,133	7,201	7,375	12,332
Share of profit in associates	879	(345)	2,066	4,010
Profit before taxation	223,986	149,725	784,049	521,865
Income tax expense	(91,584)	(61,679)	(238,653)	(169,954)
Profit from continuing operations	132,402	88,046	545,396	351,911
Discontinued operation				
Profit from discontinued operation, net of tax	-	-	151,611	-
Profit for the year	132,402	88,046	697,007	351,911
Profit attributable to:				
Owners of the company	26,248	46,822	387,438	145,837
Minority interest	106,154	41,224	309,569	206,074
Profit for the period	132,402	88,046	697,007	351,911
Basic earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
From continuing operations	8.40	15.16	75.50	47.22
From discontinued operations	-	-	48.54	-

**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2010**

	3 months ended		12 months ended	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Profit for the period	132,402	88,046	697,007	351,911
Foreign currency translation differences for foreign operations	137,260	(16,737)	2,360	(31,680)
Net surplus arising from revaluation of properties	77,974	-	77,974	-
Cash flow hedge	(112,038)	-	(98,371)	-
Available for sale reserve	453	-	453	-
Total comprehensive income for the period	236,051	71,309	679,423	320,231
Total comprehensive income attributable to:				
Owners of the company	23,436	39,786	333,583	138,591
Minority interest	212,615	31,523	345,840	181,640
Total comprehensive income for the period	236,051	71,309	679,423	320,231

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31.12.2009


KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	AS AT END OF CURRENT QUARTER 31.12.2010	AS AT PRECEEDING FINANCIAL YEAR 31.12.2009 (AUDITED)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	5,939,926	5,176,896
Prepaid lease payments	17,759	16,736
Investment property	97,803	97,863
Investment in associates	30,276	21,214
Other investments	170,969	39,055
Intangible assets	1,055,090	898,153
Goodwill (on consolidation)	221,635	72,413
Deferred farm expenditure (agriculture/non-perennial crop)	8,619	6,462
Other intangibles (if any)	824,836	819,278
Deferred tax assets	-	6,816
NON CURRENT ASSETS	7,311,823	6,256,733
Investment/property held for sale	19,649	13,599
Other investments	144,051	33,669
Inventories	703,231	525,883
Trade and other receivables	560,614	790,506
Tax recoverable	46,715	48,441
Cash and cash equivalents	438,306	405,227
CURRENT ASSETS	1,912,566	1,817,325
TOTAL ASSETS	9,224,389	8,074,058
EQUITY AND LIABILITIES		
Share capital	159,336	159,336
Share premium	272,184	272,184
Other reserves	1,152,860	1,218,857
Revaluation and other reserves	1,198,550	1,264,547
Treasury shares	(45,690)	(45,690)
Revenue reserves	2,091,180	1,720,988
Shareholders equity	3,675,560	3,371,365
Minority Interest	2,006,831	1,699,037
TOTAL EQUITY	5,682,391	5,070,402
LIABILITIES		
Term loans	1,103,500	1,157,484
Derivative financial instruments	25,201	-
Employee benefits	2,913	3,099
Deferred tax liabilities/(assets)	685,716	450,971
NON CURRENT LIABILITIES	1,817,330	1,611,554
Trade and other payables	617,312	729,334
Derivative financial instruments	149,476	-
Current income tax liabilities	138,185	114,620
Borrowings		
Term Loans due within the year/12 months	785,807	162,338
Short-term borrowings	33,244	385,409
Employee benefits	644	401
CURRENT LIABILITIES	1,724,668	1,392,102
TOTAL LIABILITIES	3,541,998	3,003,656
TOTAL EQUITY AND LIABILITIES	9,224,389	8,074,058
NET ASSETS PER SHARE (RM)	11.53	10.58

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31.12.2009



KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2010**

←————— ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY —————→
←————— NON-DISTRIBUTABLE —————→ DISTRIBUTABLE

	NO. OF SHARES	NOMINAL VALUE RM'000	TREASURY SHARES RM'000	SHARE PREMIUM RM'000	WARRANT RESERVE RM'000	REVALUATION & OTHER RESERVES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	MINORITY INTEREST RM'000	TOTAL EQUITY RM'000
At 1 January 2009	308,452,752	26,248	(45,690)	246,412	6,459	1,272,469	1,615,438	3,249,314	1,020,621	4,269,934
Exercise of warrants 1994-2004	9,177,237	4,589	-	24,171	(6,459)	-	-	22,301	-	22,301
ESOS 2004-2009	1,039,750	520	-	1,601	-	-	-	2,121	-	2,121
New/Right Issue of share / Acquisition of minority interest	-	-	-	-	-	-	-	-	622	622
Share buy back	-	12	-	-	-	-	-	-	(13,351)	(13,351)
Transfer from reserve to retained earnings	-	-	-	-	-	(676)	685	9	-	9
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	594,877	594,877
Currency translation differences	-	-	-	-	-	(7,246)	-	(7,246)	(24,434)	(31,680)
Movement in reserves	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) not recognised in income statement	-	-	-	-	-	(7,246)	-	(7,246)	(24,434)	(31,680)
Net profit for the period/year	-	-	-	-	-	-	145,837	145,837	206,074	351,911
Total comprehensive income for the period	-	-	-	-	-	(7,246)	145,837	138,591	181,640	320,231
Dividends for the period/year	-	-	-	-	-	-	(40,971)	(40,971)	(85,570)	(126,541)
Balance as at 31 December 2009	318,669,739	159,335	(45,690)	272,184	-	1,264,546	1,720,989	3,371,365	1,699,036	5,070,401
Balance as at 1 January 2010 as previously reported	318,669,739	159,336	(45,690)	272,184	-	1,264,546	1,720,989	3,371,365	1,699,036	5,070,401
Effect arising from adoption of FRS 139	-	-	-	-	-	(12,114)	295	(11,819)	(11,762)	(23,581)
At 1 January 2010, as restated	318,669,739	159,336	(45,690)	272,184	-	1,252,432	1,721,284	3,359,546	1,687,274	5,046,820
Share buy back	-	-	-	-	-	-	-	-	(5,176)	(5,176)
Transfer from reserve to retained earnings	-	-	-	-	-	(28)	28	-	-	-
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	-	(11,570)	(11,570)
Issuance of new share by subsidiaries	-	-	-	-	-	-	-	-	5,457	5,457
Currency translation differences	-	-	-	-	-	(44,986)	-	(44,986)	47,346	2,360
Net surplus arising from revaluation of properties	-	-	-	-	-	47,022	-	47,022	30,952	77,974
Fair value	-	-	-	-	-	(223)	-	(223)	677	454
Cash flow hedges	-	-	-	-	-	(55,667)	-	(55,667)	(42,704)	(98,371)
Net gain/(loss) not recognised in income statement	-	-	-	-	-	(53,854)	-	(53,854)	36,271	(17,583)
Net profit for the period/year	-	-	-	-	-	-	387,438	387,438	309,569	697,007
Total comprehensive income for the period	-	-	-	-	-	(53,854)	387,438	333,584	345,840	679,424
Dividends for the period/year	-	-	-	-	-	-	(17,570)	(17,570)	(14,994)	(32,564)
Balance as at 31 December 2010	318,669,739	159,336	(45,690)	272,184	-	1,198,550	2,091,180	3,675,560	2,006,831	5,682,391

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)


KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2010**

	AS AT 31.12.2010 (UNAUDITED) RM'000	AS AT 31.12.2009 (AUDITED) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	387,438	145,837
Non-cash items	772,047	689,119
Non operating items (investing and financing)	84,504	51,129
Operating profit before changes in working capital	1,243,989	886,085
Changes in working capital		
Net changes in current assets	(200,540)	(116,144)
Net changes in current liabilities	(127,912)	1,218
Cash generated from operations	915,537	771,159
Interest received	4,464	12,332
Interest paid	(88,969)	(76,836)
Tax paid net of refund	25,639	(141,519)
Net cash from operating activities	856,671	565,136
CASH FLOWS FROM INVESTING ACTIVITIES		
Other investments	(143,467)	(15,264)
Acquisition of subsidiaries	(402,928)	91,661
Additional investments in associates	(5,900)	(21,064)
Purchase of equity interest in subsidiary from minority shareholders	-	(399)
Purchase of property, plant and equipment	(760,932)	(749,158)
Payment of prepaid lease payment	-	(5,722)
Deferred farm expenditure	(2,157)	(750)
Purchase of intangible assets	(20,733)	(9,565)
Proceeds from disposal of property, plant and equipment	17,327	18,733
Proceeds from disposal of investments	-	20,450
Proceeds from partial disposal of subsidiaries	-	480
Proceeds from disposal of prepaid lease payments	-	958
Proceeds from disposal of associates	-	15,608
Proceeds from disposal of assets held for sale	-	1,518
Proceeds from assets swap	-	6,000
Proceeds from discontinued operation	439,882	-
Liquidation of deposit in funds management companies	(110,064)	-
Net cash flow from investing activities	(988,972)	(646,514)
CASH FLOW FROM FINANCING ACTIVITIES		
Net of proceeds/(repayments) of borrowings	1,016,817	455,826
Proceeds/(repayment) from LT loans	(785,807)	(359,197)
Bank balances pledged to a bank	347	13,589
Dividends paid to:		
Shareholders of Kulim (Malaysia) Berhad	(40,996)	(17,545)
Minority shareholders of subsidiaries	(14,994)	(85,570)
Exercise of warrants 2004-2009	-	22,301
ESOS 2004-2009	-	2,121
Issue of shares by subsidiaries	5,457	198
Net cash flow from financing activities	180,824	31,723
Net cash inflow/outflow from acquisition/(disposal) of subsidiaries		
Net increase/(decrease) in cash and cash equivalents	48,523	(49,655)
Cash and cash equivalents at beginning of the year	365,383	392,927
Foreign Exchange differences on opening balances	(1,406)	22,111
Cash and cash equivalents at end of the period/year	412,500	365,383
The cash and cash equivalents consists of the followings :-		
Deposit with licenced Banks	123,299	158,475
Cash and Bank Balances	315,007	246,752
	438,306	405,227
Less : Bank overdraft	(24,544)	(38,235)
 Amount pledged to banks	(1,262)	(1,609)
	412,500	365,383



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, Interim Financial reporting, issued by the Malaysian Accounting Standard Board (MASB). The Interim Financial Report should be read in conjunction with the Group's audited financial statement for the year ended 31 December 2009.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited financial statements for the financial year ended 31 December 2009.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

On 1 January 2010, the Group adopted the following FRSs:-

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 2	Share-based Payment - Vesting conditions and cancellations
Amendment to FRS 7	Financial instruments: Disclosures
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 117	Leases
Amendment to FRS 119	Employee Benefits
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 128	Investment in Associates
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 14	FRS 119 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other than for the application of FRS 8, FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

(a) FRS 8: Operating Segments (FRS 8)

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statement (FRS 101)

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income.

(c) Amendment to FRS 117: Leases (FRS 117)

Amendment to FRS 117 sets out the new requirement where leasehold land which is in substance is a finance lease will be reclassified to property, plant and equipment. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendments to FRS 117:

Cost	As at 31 December 2009	
	As restated RM'000	As previously stated RM'000
Property, plant and equipment	5,176,896	4,738,700
Prepaid land lease payments	16,736	454,932
	=====	=====

(d) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139)

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

(d) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139) (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. Loans and receivables are included in trade and other receivables in the balance sheet.

Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Held to maturity financial assets

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held to maturity financial asset, the whole category would be tainted and reclassified as available for sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Financial liabilities

Financial liabilities are classified as financial at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

(d) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139) (continued)

Financial guarantee contracts

The company has provided various financial guarantees to banks for the guarantee of credit facilities granted to its various subsidiaries. The Company monitors the performance of its subsidiaries closely to ensure they meet all of their financial obligations. In view that there is minimal risk of default, the Company has not carried the value of the financial guarantee in its books.

Following the adoption of FRS 139, the changes to accounting policies relating to recognition and measurement of the Group's financial instruments are as follows:

(i) Investments in non-current equity

Prior to 1 January 2010, non-current investments in equity were stated at cost less allowance for diminution in value which was other than temporary in nature.

With adoption of FRS 139, such investment are now categorised as available for sale financial assets and measured as follows:

- (a) Quoted shares - at fair value through profit or loss
- (b) Unquoted shares - at cost

(ii) Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to hedge some of its exposure to fluctuations in palm oil prices. In order to protect against the impact of falling prices, the Group enters into hedging transactions.

Prior to 1 January 2010, outstanding financial derivatives as at balance sheet date were not recognized in the financial statements. They were only recognized on settlement dates.

Derivative financial instruments are initially recognized in the balance sheet at fair value and are subsequently re-measured at their fair values. On the date a derivatives contract is entered into, the Group designates the contract as a hedge against specific future sales. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged.

Impact on opening balance

FRS 139 has been applied prospectively in accordance with the transitional provisions of the standard. In accordance to the transitional provisions for first-time adoption of FRS 139, adjustments arising from re-measuring the financial instruments as at 1 January 2010 were recognized as adjustments of the opening balance of retained profits or other appropriate reserves. Comparative are not adjusted.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134****A2. Significant Accounting Policies (continued)****(d) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139) (continued)****Impact on opening balance (continued)**

	Previously stated RM'000	Effect of FRS139 RM'000	As restated RM'000
Equity			
Revaluation & other reserves	1,264,547	(12,114)	1,252,433
Retained earnings	1,720,988	295	1,721,283
Minority interest	1,699,037	(11,762)	1,687,275

Disclosure of derivatives

The Group plantation sector at overseas subsidiaries which is NBPOL, is using derivative financial instruments to hedge some of its exposure to fluctuations in palm oil prices. In order to protect against the impact of falling prices, the Group enters into hedging transactions.

Derivative financial instruments measured at their fair values together with their corresponding contract amounts:

Types of derivatives	Contract value		Fair value		Change in fair value	
	USD '000	RM '000	USD '000	RM '000	USD '000	RM '000
Forward sale and purchase contracts						
- Less than 1 year	55,641	171,658	7,190	22,182	48,451	149,476
- 1 year to 3 years	21,235	65,511	13,066	40,310	8,169	25,201

Derivative financial instruments are initially recognised and subsequently measured at fair value. The fair values of contract price for forward sales and purchase contracts is estimated based on quotes from the market makers of these instruments and represent the estimated amounts the group would expect to receive or pay to terminate the agreement at balance sheet date. As the derivative financial instruments are deemed highly effective hedge transaction, all gains and losses relating to their re-measurement to fair value ("change in fair value") are recognised in the hedge reserve within equity and subsequently brought into account in the income statement in the same period as the physical sales transaction occurs to which the hedge relate.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

(d) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139) (continued)

Derivative financial instruments are subject to market and credit risk as follows:

Market risk

i. Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar foreign exchange risk arises from future commercial transactions, recognised assets and liabilities (borrowings) and net investments in foreign operations. The Group, except for its oleochemical business, does not hedge foreign currency translation risk.

ii. Commodity risk

NBPOL derives a significant proportion of her revenues from sale of palm oil products and uses derivatives financial instruments for the purchase and sale of Malaysian/Sumatran palm oil to guarantee a minimum price for sale of its own palm oil, for which there is no forward market, and to close out positions previously taken out. NBPOL does not produce Malaysian / Sumatran palm oil however the group has determined its palm oil to be highly correlated with the price of Malaysian / Sumatran palm oil.

iii. Cash flow and interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. It is not the group's policy to hedge cash flow and interest rate risk.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. The group has no significant concentration of credit risk and it is not the group's policy to hedge credit risk. The group has policies in place to ensure that sales of products and services are made to customer with an appropriate credit history and has policies that limit the amount of credit exposure to any one customer. No credit limits were exceeded during the reporting periods and management does not expect any losses from non-performance by counterparties.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A3. Status on Qualification of Audited Financial Statements

The audit report of the Group's preceding year financial statement was not qualified.

A4. Seasonality or Cyclicity of Operations

There were no abnormal seasonal factors that affect result for the quarter under review.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the quarter under review except for the loan debts prepaid at Company level as disclose in note A7 below and on Bio- Diesel assets impairment as disclosed note A15.

A6. Change in Accounting Estimates

There were no changes in estimate of amount reported in prior interim period or financial year that have a materials effect in the current financial quarter for the current financial period.

A7. Debt and Equity Securities

There was a prepayment made of RM135 million on the Company's RM430 million Al-Ijarah Al-Muntahia Bittamleek Facility. The prepayment is made in accordance with the facility agreement whenever there were significant assets sales made. In this instance it was triggered by the sale of Natural Oleo-Chemicals Sdn Bhd completed in the third quarter 2010. Besides this early loan part prepayment, there is no cancellation, resale and repayment of debts and equity securities except for those loan repayments in accordance with the Group's loans repayment schedule.

A8. Dividend Paid

There was no dividend paid during the quarter. An interim dividend of 15% less 25% income tax and a special dividend of 85% less 25% income tax were declared during the quarter. The dividends were paid on 27 January 2011.

A9. Segmental Information

Segmental information for the current financial year based on geographical locations and business segments within the geographical locations are as follows:



KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Results for cumulative Four quarters Ended 31 December 2010	Plantation		Oleochemicals	Manufacturing		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Rubber based products	Biodiesel		Shipping services	Other IV					
	RM'000	RM'000		RM'000	RM'000		RM'000	RM'000					
Operating revenue	575,131	1,532,526	881,511	7,902	22,908	3,035,827	86,539	203,196	7,587	-	15,217	(881,511)	5,486,833
Segment results	156,329	456,304	8,479	(2,532)	(63,347)	277,358	10,195	3,776	3,513	2,066	14,977	(8,479)	858,639
Interest income	5,575	482	-	178	-	-	-	(500)	-	-	1,640	-	7,375
Finance costs	(32,945)	(29,302)	(7,004)	-	(1,521)	(10,499)	(5,003)	(1,583)	-	-	(1,112)	7,004	(81,965)
Profit before tax from continuing operations	128,959	427,484	1,475	(2,354)	(64,868)	266,859	5,192	1,693	3,513	2,066	15,505	(1,475)	784,049
Profit from discontinued operations													154,893
Total profit before tax	128,959	427,484	1,475	(2,354)	(64,868)	266,859	5,192	1,693	3,513	2,066	15,505	(1,475)	938,942

Results for cumulative Four quarters Ended 31 December 2009	Plantation		Oleochemicals	Manufacturing		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Rubber based products	Biodiesel		Shipping services	Other IV					
	RM'000	RM'000		RM'000	RM'000		RM'000	RM'000					
Operating revenue	480,672	1,112,729	1,103,806	8,792	69,964	2,760,285	79,957	157,679	7,776	-	24,545		5,806,205
Segment results	108,518	282,471	(21,061)	(2,536)	(10,489)	241,927	16,337	1,522	3,293	4,302	(37,915)		586,369
Interest income	4,932	4,151	-	-	2	-	233	65	-	-	2,949		12,332
Finance costs	(36,377)	(9,209)	(8,808)	-	(1,328)	(11,666)	(8,015)	(1,429)	-	-	(4)		(76,836)
Profit before tax	77,073	277,413	(29,869)	(2,536)	(11,815)	230,261	8,555	158	3,293	4,302	(34,970)		521,865



KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Results for current 4th quarter Ended 31 December 2010	Plantation		Oleochemicals	Manufacturing		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Rubber based products	Biodiesel		Shipping services	Other IV					
	RM'000	RM'000		RM'000	RM'000		RM'000	RM'000					
Operating revenue	143,684	374,432	-	1,768	541	831,400	26,771	55,421	1,897	-	(5,264)	-	1,430,651
Segment results	46,061	150,593	-	(360)	(39,346)	80,836	1,690	(50)	974	879	3,725	-	245,002
Interest income	3,399	55	-	30	-	-	-	(500)	-	-	149	-	3,133
Finance costs	(7,399)	(9,852)	-	-	(772)	(3,163)	(1,179)	(921)	-	-	(863)	-	(24,149)
Profit before tax from continuing operations	42,061	140,796	-	(330)	(40,118)	77,673	511	(1,471)	974	879	3,011	-	223,986
Profit from discontinued operations													-
Total profit before tax	42,061	140,796	-	(330)	(40,118)	77,673	511	(1,471)	974	879	3,011	-	223,986

Results for current 4th quarter Ended 31 December 2009	Plantation		Oleochemicals	Manufacturing		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Rubber based products	Biodiesel		Shipping services	Other IV					
	RM'000	RM'000		RM'000	RM'000		RM'000	RM'000					
Operating revenue	144,861	287,470	318,281	1,619	695	754,751	20,516	33,214	1,853	-	(2,568)	-	1,560,692
Segment results	45,300	65,008	(4,097)	(872)	(2,448)	73,139	9,103	(2,511)	2,277	(53)	(15,748)	-	169,098
Interest income	4,588	(37)	-	(4)	2	(414)	233	65	-	-	2,768	-	7,201
Finance costs	(13,325)	(2,089)	(2,316)	-	(379)	(2,489)	(5,207)	(768)	-	-	(1)	-	(26,574)
Profit before tax	36,563	62,882	(6,413)	(876)	(2,825)	70,236	4,129	(3,214)	2,277	(53)	(12,981)	-	149,725



KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Assets and Liabilities As at 31 December 2010	Plantation		Oleochemicals	Manufacturing		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Rubber based products	Biodiesel		Shipping services	Other IV				
	RM'000	RM'000		RM'000	RM'000		RM'000	RM'000				
Segment assets	2,579,377	3,141,165	-	5,835	44,635	1,425,376	371,514	104,762	94,503	30,276	380,475	8,177,918
Unallocated corporate assets	-	-	-	-	-	1,018,743	-	-	-	-	27,728	1,046,471
Total assets	2,579,377	3,141,165	-	5,835	44,635	2,444,119	371,514	104,762	94,503	30,276	408,203	9,224,389
Segment liabilities	240,678	1,239,925	-	1,822	125,323	790,407	268,128	114,642	-	-	75,357	2,856,282
Unallocated corporate liabilities	142,903	462,410	-	-	-	68,326	-	-	-	-	12,077	685,716
Total liabilities	383,581	1,702,335	-	1,822	125,323	858,733	268,128	114,642	-	-	87,434	3,541,998

Assets and Liabilities As at 31 December 2009	Plantation		Oleochemicals	Manufacturing		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Rubber based products	Biodiesel		Shipping services	Other IV				
	RM'000	RM'000		RM'000	RM'000		RM'000	RM'000				
Segment assets	2,476,055	1,885,973	673,249	5,131	19,973	1,482,817	314,361	54,981	97,863	22,310	149,654	7,182,367
Unallocated corporate assets	-	-	-	-	-	638,104	-	-	-	-	253,587	891,691
Total assets	2,476,055	1,885,973	673,249	5,131	19,973	2,120,921	314,361	54,981	97,863	22,310	403,241	8,074,058
Segment liabilities	482,379	663,859	354,712	305	35,303	714,677	215,793	41,146	-	-	44,511	2,552,685
Unallocated corporate liabilities	147,928	256,782	1,494	-	-	44,710	-	-	-	-	57	450,971
Total liabilities	630,307	920,641	356,206	305	35,303	759,387	215,793	41,146	-	-	44,568	3,003,656



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A10. Valuation of Property, Plant and Equipment

The carrying value of land and estate development expenditure for the Group except those located overseas, is based on valuation carried out on 31st December 1997 by an independent qualified valuer using the open market method of valuation to reflect their fair value. However, in 2006, the Group changed its accounting policy on estate development expenditure in Malaysia from valuation model to cost model by stating the estate development expenditure to its initial cost and the change effect from the adoption of FRS 117 Leases. Other than changes resulting from these changes in accounting policy the carrying value was brought forward without any amendment.

A11. Material Events Subsequent to the End of the Interim Period

There was no material event subsequent to the end of the Interim Period.

A12. Changes in the Composition of the Group

There were no significant changes in the composition of the Group during the quarter in review.

A13. Changes in Contingent Liabilities or Contingent Assets

Since the last Balance Sheet date, there were no material changes in contingent liabilities and contingent assets.

A14. Capital Commitment

Authorised capital expenditures not provided for in the financial statements as at 31 December 2010 are as follows:

	RM'000
Contracted	136,985
Not contracted	342,841
	479,826

A15. Impairment of Assets

As in accordance to FRS136, the Group made its assessments of the assets and recognized any impairment accordingly.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A16. Related Party Disclosures

Significant transaction within the Group between Kulim (M) Berhad and its subsidiaries are as follows:-

	3 months ended		12 months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM '000	RM '000	RM '000	RM '000
Group				
Ultimate holding corporation				
Johor Corporation				
- Agency fee received	102	90	406	361
- Sales of oil palm fresh fruit bunches	20,869	11,548	23,412	30,216
- Purchasing and sales commission received	719	769	3,074	2,928
- Planting advisory and agronomy fee received	43	43	174	173
- Computer charged received	46	17	98	69
- Inspection fee received	15	15	60	60
- Rental payable	158	157	629	700



PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of the Performance of the Company and Its Principal Subsidiaries

Group Results and update

Group's cumulative four quarters 2010 revenue, excluding the revenue of the disposed OleoChemicals Group, recorded an increase of 16.68 % to RM5.486 billion compared to the corresponding quarters in 2009. The Plantation sector recorded significant revenue increase of 39.73% compared to the corresponding quarters in 2009. The foods and restaurants business contributed 10.00% higher revenue compared to the corresponding quarters in 2009.

The Group recorded PBT from continuing operation of RM784 million which is an increase of 42% over the corresponding quarters in 2009. Plantation operation turned in 58.25% better result whereas foods and restaurants results improved by 15.89% compared to the corresponding quarters in 2009.

The disposal of Oleochemicals Group completed during the third quarter 2010 resulted in a discontinuation gain of RM151.61 million net of tax.

The plantation sector Group average OER for four cumulative quarters is at 21.85%. NBPOL Group OER is at 22.57% whereas Malaysia's is at 20.24%.

Operational results

Plantations:

(i) Plantation Operation - Malaysia

The Group's ffb production for the 4th quarter 2010 is at 140,742mt. This is 19.65% lower compared to the ffb production for the corresponding quarter in 2009 of 175,159mt.

The group's cumulative ffb production for four quarters ending December 2010 is at 551,223mt. This is 8.74% lower compared to the ffb production for the corresponding quarters in 2009.

The Group's OER for the cumulative four quarters 2010 is at 20.24% compared to OER of 19.90% for the corresponding quarters in 2009.

Total ffb processed by the Group mills for the cumulative four quarters 2010 is at 806,297mt which is 3.35% lower compared to the corresponding quarters in 2009. Total ffb processed is inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved CPO and PK cumulative price averages of RM2,604 and RM1,666 per mt for four quarters in 2010 compared to RM2,284 and RM 1,108 per mt for CPO and PK respectively for the corresponding quarters in 2009.



PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of the Performance of the Company and Its Principal Subsidiaries (continued)

(ii) Plantation Operation - Papua New Guinea & Solomon Islands

NBPOL Group produced 406,629 mt ffb in the 4th quarter 2010 which is 56.97% higher compared to the corresponding quarter in 2009. Together with crops purchased from outside the Group, NBPOL Group processed 528,873 mt ffb which is 44.93% higher compared to the corresponding quarters in 2009.

The Group's cumulative ffb production for four quarters ending December 2010 is at 1,434,211mt. This is 37.93% higher compared to the ffb production for the corresponding quarters in 2009. Total four quarters ffb processed is at 1,969,058 mt which is 33.82% higher compared to the corresponding four quarters in 2009.

The significant increase in FFB production were contributed by the Kula Plantation Pty Ltd (CTP) over the eight months period since the acquisition date. Kula processed 462,839 mt ffb over this period.

NBPOL Group OER for the cumulative four quarters 2010 is at 22.57% compared to 22.80% for the corresponding quarters in 2009.

NBPOL achieved cumulative price average for 2010 to end December of USD850/mt CPO compared to USD706/mt for the corresponding quarters in 2009.

Foods and Restaurants:

The food and restaurants (F&R) group registered a revenue of RM3,035.8 million for the cumulative four quarters 2010, representing an increase of 10.00% compared to the corresponding four quarters in 2009 of RM2,760.3 million.

The F&R group registered a profit before tax of RM266.9 million for the four cumulative quarters 2010 compared to the corresponding quarters in 2009 of RM230.3 million.

Within the F&R group, the KFC Holding (Malaysia) Berhad (KFCH) achieved a revenue of RM2,522.4 million for the four cumulative quarters 2010, representing a growth of 9.8% over the corresponding quarters in 2009 of RM2,297.4 million. The KFC restaurants segment registered a 9.5% revenue growth to RM1,888.1 million while the Integrated Poultry segment recorded a 10.2% revenue growth to RM533.4 million .

KFCH registered a profit before tax of RM221.8 million for the cumulative four quarters 2010 compared to the corresponding quarters in 2009 of RM190 million. Fourth quarter 2010 profit included a net surplus from revaluation of properties of RM6.7 million.

Property Investment:

The Company's office tower, the Menara Ansar in Johor Bahru recorded a surplus for the cumulative four quarters 2010 of RM3.5 million compared to a surplus of RM3.29 million for the corresponding quarters in 2009.



PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of the Performance of the Company and Its Principal Subsidiaries (continued)

Intrapreneuer Ventures (IV)

The revenue from the IV sector ex shipping services grew to RM203.2 million for the cumulative four quarters under review, a 28.87% increase compared to the corresponding quarters in 2009. The sector recorded a profit before tax of RM1.69 million for the cumulative four quarters 2010.

The shipping division revenue increased to RM86.54 million which is 8.23% higher compared to the corresponding quarters in 2009. The Division recorded a profit of RM5.19 million for the four quarters 2010 which is 39.32% lower compared to the corresponding quarters in 2009.

B2. Material Changes in the Quarterly Results

Crop declined was recorded in the fourth quarter for the Group's Malaysia Oil Palm operation. This shortfall was however offset by the increase in Palm Products prices compared to the corresponding quarter in 2009. The significant strengthening of palm products prices during the quarter neutralized the decline in FFB harvested. The Group's PNG operation benefitted from a 7% production increased as well as from the FFB produced and processed by the newly acquired Kula Plantation Group.

The F&R Group's revenue growth of 10% in the quarter help sustained the operational performance. Newly set up operation offshore are still at early stage and are expected to start contributing positively once efficient operational scale is achieved. Included in the F&R group result for the quarter is a revaluation surplus on the assets of RM6.7 million.

B3. Current Year Prospects

Based on the anticipated favourable crop cycle and better weather conditions, the Group's FFB production for the coming year is expected to recover from the shortfall recorded in 2010. Similarly, palm products prices, too, are envisaged to remain resilient within the current traded levels of RM3800/RM3000 for CPO and Palm kernels respectively. On the cost side, the Group is confident that fertilizer costs, the main expenditure item, would be well contained without compromising on the Group's norm and adherence to the agricultural standards. The major concern and challenges remain on the availability and the productive management of the plantation workers.

The Foods and Restaurants Group is optimistic of sustaining the Group's 2010's performance for the financial year 2011. The challenges will be on managing costs as inflationary pressures manifest a significant concern to consumers particularly on food items.

EA Technique and Orkim Sdn Bhd are expected to contribute positively to the Group's bottom line with the delivery of all their 10 newly constructed vessels. All of these vessels are already secured with long term charter contracts.

Based on the above generally positive outlook the potential for better result for the financial year 2011 looks very promising.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B4. Profit Forecast/Profit Guarantee**

The Company is not subject to any profit forecast or profit guarantee requirement.

B5. Taxation

	3 MONTHS ENDED		12 MONTHS ENDED	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Current Taxation				
-Malaysia	(33,428)	(24,284)	(99,609)	(78,429)
-Overseas	1,920	7,339	(72,762)	(50,909)
	(31,508)	(16,945)	(172,371)	(129,338)
Transfer to deferred Taxation				
-Malaysia	(13,642)	(6,084)	(19,847)	(1,966)
-Overseas	(46,434)	(38,650)	(46,435)	(38,650)
	(60,076)	(44,734)	(66,282)	(40,616)
Total	(91,584)	(61,679)	(238,653)	(169,954)

The effective tax rate (etr) on the Group's results for the quarter is higher due to the higher deferred tax provision at the Group's overseas plantation group.

The etr on the Group's full year's result is similarly affected albeit at lower excess rate as the deferred tax provision is applied over the Group's taxes on the full year's result.

B6. Sale of Unquoted Investments and/or Properties

	3 MONTHS ENDED	12 MONTHS ENDED
	31.12.2010	31.12.2010
	RM'000	RM'000
Total carrying amount	-	-
Total sale proceeds	-	-
Total profit / (Loss) on disposals	-	-

B7. Financial Assets at Fair Value (Quoted Securities)

(a) The particulars of purchase or disposal of quoted securities (substantially on short term money market trust funds) are as follows :-

	3 MONTHS ENDED	12 MONTHS ENDED
	31.12.2010	31.12.2010
	RM'000	RM'000
Total Purchase consideration	127,898	218,315

**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ending 31 December 2010

Total Sale proceeds	(30,679)	(115,107)
Total Profit/(Loss) on Disposals	679	1,096

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B7. Financial Assets at Fair Value (Quoted Securities) (continued)**

(b) Investment as at 31 December 2010.

	Held as Long Term Investments RM'000	Held as Current Assets RM'000	TOTAL RM'000
At cost	161,675	145,620	307,295
At book value	129,512	143,733	273,245
At market value	128,229	144,051	272,280

B8. Status of Uncompleted Corporate Announcement

The Company and its subsidiaries announced on the following corporate events not yet completed at the last report date and their status at the date of this report are as follows:

i. Announcement made by Kulim (Malaysia) Berhad.

On 13th November 2007 the Company announced on a proposed Collaboration with PNG Sustainable Development Program Limited to jointly undertakes oil palm feasibility studies in Kamusie, Papua New Guinea ("Collaboration").

Collaboration agreement with PNG Sustainable Development Program Limited was signed on 5th December 2007.

At the date of this report there were no significant developments over this matter.

ii. Announcement made by Sindora Berhad (Sindora), a subsidiary of the Company;

As at end of its previous group quarterly report and up to the date of this report Sindora made uncompleted corporate proposals announcement as follows;

a) The Company had on 27 December 2007 announced in respect of the conditional Sale & Purchase Agreement entered into between the Company and KFC Holdings (Malaysia) Bhd ("KFCH") to dispose a piece of land (including all factory, building, structures, infrastructure and facilities built or erected on the land) measuring 20.533 acres that forms part of a leasehold industrial land (expiring on 30 January 2041) held under document of title HS(D) 2276, PTD 1384, Mukim Hulu Sungai Johor, Kota Tinggi, Johor for RM6.15 million cash.

There were several extensions of the condition precedents fulfilment period that had been mutually agreed by both parties and announced accordingly. The latest announcement was made on 22 September 2010 to further extend the condition precedents fulfilment period until 25 March 2011.



PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8. Status of Uncompleted Corporate Announcement (continued)

ii. Announcement made by Sindora Berhad (Sindora), a subsidiary of the Company; (continued)

b) The Company had on 27 February 2008 proposed to lease up to twenty (20) acres or 871,200 square feet of an area of land within Tanjung Langsat Port identified as PLO 46, Tanjung Langsat Industrial Complex, Mukim of Sungai Tiram, District of Johor Bahru, State of Johor by Johor Shipyard and Engineering Sdn Bhd for a period of 30 years from Tanjung Langsat Port Sdn Bhd for a total lease rental of up to RM21.78 million or RM25 per square feet.

Latest, on 28 December 2010 the parties to the Agreement has mutually agreed as follows:-

- (i) Extend the condition precedents fulfillment period to 28 March 2011;
- (ii) Extend the delivery of Plot 1 to 36 months from the date of the Agreement for Lease; and
- (iii) Extend the delivery of Plot 2 to 40 months from the date of the Agreement for Lease."

c) On 11 May 2009, the Company issued an offer letter to dispose its entire 35% shareholding in MM Vitaoils Sdn Bhd (MMV) to En Mazlan Muhammad (MM), the controlling shareholder and Managing Director of MMV for a cash consideration of RM13.5 million. Currently both parties are in the midst of negotiation for a review of the terms and conditions of the disposal.

iii. Announcement made by KFC Holdings (Malaysia) Bhd. (KFCH), a subsidiary of QSR Brands Berhad, a subsidiary of the Company;

a) KFCH had on 2 November 2007 announced the purchase of a piece of freehold land measuring approximately 41,294.90 square feet identified as Parcel C9 being part of land previously held under Lot 413, Mukim of Tebrau, District of Johor Bahru, via its wholly-owned subsidiary, KFC (Peninsular Malaysia) Sdn Bhd for a cash consideration of RM3,241,648.

KFCH is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Damansara Realty (Johor) Sdn Bhd, a member of Johor Corporation Group of Companies.

b) KFCH had on 27 December 2007 announced the purchase of a piece of land (including all factories, buildings, structures, infrastructure and facilities built or erected on the land) measuring 20.533 acres that forms part of a leasehold industrial land (expiring on 30 January 2041) held under document of title HS (D) 2276, PTD 1384, Mukim Hulu Sungai Johor, Kota Tinggi, Johor for a cash consideration of RM6,150,000.

KFCH is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Sindora Berhad, a member of Johor Corporation Group of Companies.



PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8. Status of Uncompleted Corporate Announcement (continued)

iii. Announcement made by KFC Holdings (Malaysia) Bhd. (KFCH), a subsidiary of QSR Brands Berhad, a subsidiary of the Company; (continued)

c) KFCH had on 10 July 2008 announced the purchase of a part of the land measuring 1.18 acres held under HS(D) 367670 PTD104984, in the Mukim of Tebrau, Daerah Johor Bahru, Johor, via its wholly-owned subsidiary, SPM Restaurants Sdn Bhd for a cash consideration of RM4,034,963.

The company had on 18 September 2009 announced that KFCH and Damansara Realty (Johor) Sdn Bhd, the Vendor, have mutually agreed that the Sale and Purchase Agreement be varied with the execution of the Supplemental Sale and Purchase Agreement on 18 September 2009.

KFCH is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Johor Corporation.

d) KFCH had on 5 November 2008 announced the purchase of a piece of agricultural land measuring 400 acres in area being part of Lot PTD 9374 HS(D) 41897, Mukim Bukit Batu, District of Kulaijaya, State of Johor Darul Takzim, via its wholly-owned subsidiary, Ayamas Food Corporation Sdn Bhd for a cash consideration of RM10,400,000.

KFCH is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Johor Corporation.

e) The Company had on 22 April 2010 announced the purchase of a vacant commercial land measuring 2 acres, situated at part of PTD 84134, Mukim Tebrau, District of Johor Bahru, Johor Darul Takzim for a cash consideration of RM5,924,160.00 (RM68.00 per sq ft) from Johor Land Berhad.

KFCH is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Johor Land Berhad.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B9. Borrowings and Debt Securities**

	As at 31-Dec-10 RM'000	As at 31-Dec-09 RM'000
Term Loans		
Secured:		
- denominated in RM	846,288	1,002,351
- denominated in USD	707,463	34,292
- denominated in Kina	135,381	128,286
Unsecured:		
- denominated in RM	181,615	149,919
- denominated in USD	3,312	2,134
- denominated in SDR	11,628	-
Finance lease liabilities - secured	3,620	2,840
Less:		
- due within 12 months (reclassified to short term borrowings)	(785,807)	(162,338)
Total - Term Loan	1,103,500	1,157,484
Other short term borrowings		
Revolving credits:		
- Secured	8,700	-
- Unsecured	-	82,092
Bank overdrafts:		
- Secured	23,021	32,217
- Unsecured	1,523	6,018
Short term bank borrowings:		
- Secured		263,328
- Unsecured	-	-
Finance lease liabilities - secured	-	1,754
Total - Short term borrowings	33,244	385,409
Term loan (reclassified)	785,807	162,338
Total Borrowings	1,922,551	1,705,231

B10. Material Litigation, Claims and Arbitration

There were no material litigations, claims and arbitration outstanding.

B11. Dividend Proposed

An interim dividend of 15% less 25% income tax and a special dividend of 85% less 25% income tax were declared on 10 December 2010. The dividends were paid on 27 January 2011.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B12. Earnings Per Share (“EPS”)**

	3 MONTHS ENDED		12 MONTHS ENDED	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	26,248	46,822	287,438	145,837
Weighted average no. of shares in issue	312,349	308,861	312,349	308,861
Basic earnings per share	8.40	15.16	124.04	47.22

B13. Currency Translation

The exchange rates adopted for each unit of the currencies applicable to the Group for the financial quarters are as follows:-

	THIS YEAR CURRENT QUARTER		PRECEEDING YEAR CORRESPONDING QUARTER	
	MTH-END RATE	AVERAGE RATE	MTH-END RATE	AVERAGE RATE
Papua New Guinea Kina (PGK/Kina/K)	1.2601	1.2910	1.3219	1.2650
United Kingdom Pound Sterling (GBP)	4.7729	5.1175	5.4621	5.2116
United States of America Dollar (USD/US\$)	3.0851	3.2572	3.4292	3.4361
EUR	4.0887	4.5020	4.9152	4.8836
Singapore Dollar (S\$)	2.3905	2.4156	2.4406	2.4113
Solomon Islands Dollar (SBD)	0.3753	0.3762	0.5240	0.5211



PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B14. Realised and unrealised profits or losses

	As at 31 Dec 2010 RM'000	As at 30 Sept 2010 RM'000
The retained earnings of the Group is made up as follows:-		
- Realised	2,815,909	2,742,533
- Unrealised	(724,729)	(677,580)
	<u>2,091,180</u>	<u>2,064,953</u>

Comparative figures are not required in the first financial year of complying with the realised and unrealised profits or losses disclosure.

By Order of the Board
KULIM (MALAYSIA) BERHAD

IDHAM JIHADI BIN ABU BAKAR, MAICSA 7007381
NURALIZA BINTI A. RAHMAN, LS 0008565
(Secretaries)

Dated : 25 February 2011