



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011



**CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011**

	3 months ended		9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000 restated	30.09.2011 RM'000	30.09.2010 RM'000 restated
Revenue	1,780,209	1,461,363	5,240,077	4,056,181
Expenses excluding finance cost & tax	(1,471,621)	(1,240,665)	(4,329,424)	(3,536,859)
Other operating income / (loss)	37,343	67,082	206,076	93,127
Profit from operations	345,931	287,780	1,116,729	612,449
Finance cost	(20,858)	(23,494)	(63,877)	(57,816)
Interest income	2,433	1,002	9,216	4,242
Share of profit in associates	2,149	580	5,431	1,187
Profit before taxation	329,655	265,868	1,067,499	560,062
Income tax expense	(79,868)	(56,760)	(274,462)	(147,069)
Profit from continuing operations	249,787	209,108	793,037	412,993
Discontinued operation				
Profit from discontinued operation, net of tax	-	156,808	-	151,611
Profit for the year	249,787	365,916	793,037	564,604
Profit attributable to:				
Owners of the company	171,073	284,658	444,463	361,212
Minority interest	78,714	81,258	348,574	203,392
Profit for the period	249,787	365,916	793,037	564,604
Basic earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
From continuing operations	13.97	40.93	36.30	67.10
From discontinued operations	-	50.20	-	48.54
Diluted earnings per ordinary share (sen)	12.39	-	32.19	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31.12.2010



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011**

	3 months ended		9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000 restated	30.09.2011 RM'000	30.09.2010 RM'000 restated
Profit for the period	249,787	365,916	793,037	564,604
Foreign currency translation differences for foreign operations	290,619	(61,258)	368,421	(134,900)
Cash flow hedge	26,177	195	114,514	13,667
Available for sale reserve	(34,933)	-	(32,430)	-
Total comprehensive income for the period	531,650	304,853	1,243,542	443,371
Total comprehensive income attributable to:				
Owners of the company	295,058	297,098	651,293	344,357
Minority interest	236,592	7,755	592,249	99,014
Total comprehensive income for the period	531,650	304,853	1,243,542	443,372

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31.12.2010


KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2011

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

	AS AT END OF CURRENT QUARTER 30.09.2011	AS AT PRECEEDING FINANCIAL YEAR 31.12.2010 (AUDITED)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	6,981,345	5,876,948
Investment property	106,014	97,863
Investment in associates	21,509	56,610
Other investments	128,993	214,061
Intangible assets:	1,095,695	1,054,785
Goodwill (on consolidation)	252,241	221,635
Deferred farm expenditure (agriculture/non-perennial crop)	8,371	7,890
Other intangibles (if any)	835,083	825,260
Deferred tax assets	-	917
Non-current assets	8,333,556	7,301,184
Investment/property held for sale	13,500	13,500
Other investments	1,650	145,517
Inventories	856,337	700,690
Trade and other receivables	880,985	607,530
Tax recoverable	43,441	25,125
Cash and cash equivalents	759,096	452,146
Current assets	2,555,009	1,944,508
TOTAL ASSETS	10,888,565	9,245,692
EQUITY AND LIABILITIES		
Share capital	312,350	159,336
Share premium	119,172	272,184
Other reserves:	1,390,067	1,160,998
Revaluation and other reserves	1,401,248	1,206,688
Warrant reserve	85,005	-
Treasury shares	(96,186)	(45,690)
Revenue reserves	2,332,308	1,972,850
Equity Attributable to Equity Holders of the Company	4,153,897	3,565,368
Minority Interest	2,561,371	1,977,374
Total equity	6,715,268	5,542,742
Term loans	1,827,095	931,020
Derivative financial instruments	1,945	25,201
Employee benefits	2,877	2,913
Deferred tax liabilities/(assets)	1,044,679	691,776
Non current liabilities	2,876,596	1,650,910
Trade and other payables	686,794	794,421
Derivative financial instruments	9,141	149,476
Current income tax liabilities	236,255	112,089
Borrowings:		
Term Loans due within the year/12 months	227,967	929,336
Short-term borrowings	136,029	66,074
Employee benefits	515	644
Current liabilities	1,296,701	2,052,040
TOTAL LIABILITIES	4,173,297	3,702,950
TOTAL EQUITY AND LIABILITIES	10,888,565	9,245,692
NET ASSETS PER SHARE (RM)	3.26	11.19

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31.12.2010


KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2011

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	←——— ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY ———→									
	NO. OF SHARES	←——— NON-DISTRIBUTABLE ———→					→——— DISTRIBUTABLE ———→			
		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
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	1,699,037	5,070,402
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	-	1,252,433	1,721,283	3,359,546	1,687,275	5,046,821
Currency translation differences	-	-	-	-	-	(52,154)	-	(52,154)	(82,746)	(134,900)
Transfer from reserve to retained earnings	-	-	-	-	-	(28)	28	-	-	-
Cash flow hedges	-	-	-	-	-	1,111	-	1,111	12,556	13,667
Total other comprehensive income for the year	-	-	-	-	-	(51,071)	28	(51,043)	(70,190)	(121,233)
Profit for the period/year	-	-	-	-	-	-	361,212	361,212	203,392	564,604
Total comprehensive income for the period	-	-	-	-	-	(51,071)	361,240	310,169	133,202	443,371
Share buy back	-	-	-	-	-	-	-	-	(5,176)	(5,176)
Increase in minority shareholders' interest	-	-	-	-	-	-	-	-	537	537
Arising from acquisition from minority interest	-	-	-	-	-	-	-	-	(8,625)	(8,625)
Dividends for the period / year	-	-	-	-	-	-	(17,570)	(17,570)	(14,099)	(31,669)
Balance as at 30 September 2010	318,669,739	159,336	(45,690)	272,184	-	1,201,362	2,064,953	3,652,124	1,793,114	5,445,259
Balance as at 1 January 2011	318,669,739	159,336	(45,690)	272,184	-	1,206,688	1,972,850	3,565,368	1,977,374	5,542,742
Foreign exchange translation differences	-	-	-	-	-	175,260	-	175,260	193,161	368,421
Cash flow hedges	-	-	-	-	-	63,848	-	63,848	50,666	114,514
Fair value of available-for-sale financial assets	-	-	-	-	-	(32,278)	-	(32,278)	(152)	(32,430)
Total other comprehensive income for the year	-	-	-	-	-	206,830	-	206,830	243,675	450,505
Profit for the year	-	-	-	-	-	-	444,463	444,463	348,574	793,037
Total comprehensive income for the year	-	-	-	-	-	206,830	444,463	651,293	592,249	1,243,542
Increase in minority interest	-	-	-	-	-	-	-	-	5,148	5,148
Share split (Every 1 share into 2 shares)	318,669,739	-	-	-	-	-	-	-	-	-
Bonus issue (1 bonus share for every 1 share)	612,055,078	153,014	-	(153,014)	-	-	-	-	-	-
Warrant issue (1 warrant for every 8 shares)	-	-	-	-	85,005	-	(85,005)	-	-	-
Warrant exercised	500	-	-	2	-	-	-	2	-	2
Acquisition of additional interest in subsidiaries	-	-	-	-	-	(12,270)	-	(12,270)	(10,781)	(23,051)
Dividend to minority interest of subsidiaries	-	-	-	-	-	-	-	-	1,421	1,421
Shares buy back by subsidiaries	-	-	-	-	-	-	-	-	(4,040)	(4,040)
Treasury shares acquired	-	-	(50,496)	-	-	-	-	(50,496)	-	(50,496)
Balance as at 30 September 2011	1,249,395,056	312,350	(96,186)	119,172	85,005	1,401,248	2,332,308	4,153,897	2,561,371	6,715,268

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)



**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	AS AT 30.09.2011 (UNAUDITED) RM'000	AS AT 30.09.2010 (UNAUDITED) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	444,463	361,212
Non-cash items	(371,670)	419,755
Non operating items (investing and financing)	54,661	62,255
Operating profit before changes in working capital	127,454	843,222
Changes in working capital:		
Net changes in current assets	(429,104)	(500,986)
Net changes in current liabilities	577,921	(313,719)
Cash generated from operations	276,271	28,517
Interest received	9,216	2,565
Interest paid	(63,877)	(64,820)
Tax paid net of refund	185,208	128,302
Net cash from operating activities	406,818	94,564
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments		
Purchase of other investments	(168,142)	(141,448)
Acquisition of subsidiaries	(18)	(544,529)
Proceeds on disposal of investments in associates	40,532	(3,091)
Purchase of property, plant and equipment	(765,070)	(313,829)
Deferred farm expenditure	(481)	(1,773)
Purchase of intangible assets	(1,262)	(16,349)
Proceeds from disposal of property, plant and equipment	83,954	7,796
Proceeds from disposal of investments	403,808	-
Proceeds from discontinued operation	-	439,882
Net cash flow from investing activities	(406,679)	(573,341)
CASH FLOW FROM FINANCING ACTIVITIES		
Net of proceeds/(repayments) of borrowings	1,014,308	1,293,672
Proceeds/(repayment) from LT loans	(725,763)	(801,503)
Bank balances pledged to a bank	(34,121)	347
Dividends paid to:		
Shareholders of Kulim (Malaysia) Berhad	-	(40,996)
Minority shareholders of subsidiaries	1,421	(14,099)
Proceeds from issuance of warrants	85,008	-
Issue of shares by subsidiaries	5,148	537
Purchase of treasury shares	(50,496)	-
Net cash flow from financing activities	295,505	437,958
Net increase/(decrease) in cash and cash equivalents	295,644	(40,819)
Cash and cash equivalents at beginning of the year	406,434	365,383
Foreign Exchange differences on opening balances	1,068	(1,386)
Cash and cash equivalents at end of the period/year	703,146	323,178
The cash and cash equivalents consists of the followings :-		
Deposit with licenced Banks	137,630	60,650
Cash and Bank Balances	621,466	306,135
	759,096	366,785
Less : Bank overdraft	(9,038)	(42,345)
 Amount pledged to banks	(46,912)	(1,262)
	703,146	323,178



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 2010.

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 2010.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2010. 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 2010.

On 1 January 2011, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Agreements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

Improvements to FRSs issued in 2010



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any material impact on the financial performance, position or presentation of financials of the Group.

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 significant items which unusually affect assets, liabilities, equity, net income or cash flows during the quarter under review.

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 were no cancellation, resale and prepayment of debt and equity securities during the quarter other than on loans repayments in accordance with the Group's loans repayment schedules.

A8. Dividend Paid

There was no dividend paid during the quarter.

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

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Interim report for the financial year ending 31 December 2011

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Results for 3 months Ended 30 September 2011	Plantation		Manufacturing			Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island	Oleochemicals	Rubber based products	Biodiesel		Shipping services	Other IV					
	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000					
Operating revenue	220,238	627,970	-	1,913	-	821,491	45,500	62,520	2,221	-	(1,644)	-	1,780,209
Segment results	46,309	179,004	-	(80)	(3,273)	61,807	8,924	7,404	960	2,149	44,876	-	348,080
Interest income	1,208	1,562	-	18	-	-	-	(619)	-	-	264	-	2,433
Finance costs	(4,149)	(8,124)	-	-	(152)	(3,321)	(4,962)	(133)	-	-	(17)	-	(20,858)
Profit before tax	43,368	172,442	-	(62)	(3,425)	58,486	3,962	6,652	960	2,149	45,123	-	329,655

Results for 3 months Ended 30 September 2010	Plantation		Manufacturing			Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island	Oleochemicals	Rubber based products	Biodiesel		Shipping services	Other IV					
	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000					
Operating revenue	157,274	470,136	291,262	1,831	71	746,496	25,208	52,439	1,874	-	6,034	(291,262)	1,461,363
Segment results	44,218	141,822	9,257	(630)	(154)	67,840	10,685	(100)	857	580	23,242	(9,257)	288,360
Interest income	234	15	-	145	-	-	-	(3)	-	-	611	-	1,002
Finance costs	(8,966)	(10,018)	(2,529)	-	(31)	(2,776)	(2,238)	(148)	-	-	683	2,529	(23,494)
Profit before tax	35,486	131,819	6,728	(485)	(185)	65,064	8,447	(251)	857	580	24,536	(6,728)	265,868



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Interim report for the financial year ending 31 December 2011

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Results for 9 months Ended 30 September 2011	Plantation		Manufacturing			Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island	Oleochemicals	Rubber based products	Biodiesel		Shipping services	Other IV					
	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000					
Operating revenue	618,927	1,862,824	-	6,795	-	2,426,799	123,601	186,577	6,216	-	8,338	-	5,240,077
Segment results	182,667	678,986	-	(965)	(7,557)	197,226	21,814	12,787	2,716	5,431	29,055	-	1,122,160
Interest income	5,654	2,752	-	117	-	-	-	(619)	-	-	1,312	-	9,216
Finance costs	(16,263)	(24,000)	-	-	(613)	(9,300)	(11,971)	(958)	-	-	(772)	-	(63,877)
Profit before tax	172,058	657,738	-	(848)	(8,170)	187,926	9,843	11,210	2,716	5,431	29,595	-	1,067,499

Results for 9 months Ended 30 September 2010	Plantation		Manufacturing			Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island	Oleochemicals	Rubber based products	Biodiesel		Shipping services	Other IV					
	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000					
Operating revenue	431,446	1,158,094	881,511	6,133	22,366	2,204,427	59,768	147,776	5,690	-	20,481	(881,511)	4,056,181
Segment results	110,268	305,711	8,479	(2,172)	(24,001)	196,522	8,504	3,826	2,539	1,187	11,252	(8,479)	613,636
Interest income	2,177	427	-	147	-	-	-	-	-	-	1,491	-	4,242
Finance costs	(25,545)	(19,450)	(7,004)	-	(749)	(7,336)	(3,824)	(662)	-	-	(250)	7,004	(57,816)
Profit before tax	86,900	286,688	1,475	(2,025)	(24,750)	189,186	4,680	3,164	2,539	1,187	12,493	(1,475)	560,062



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Interim report for the financial year ending 31 December 2011

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Assets and Liabilities As at 30 September 2011	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	3,035,577	4,505,506	-	5,590	36,372	2,526,577	391,082	116,238	102,654	21,509	18,467	10,759,572
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	128,993	128,993
Total assets	3,035,577	4,505,506	-	5,590	36,372	2,526,577	391,082	116,238	102,654	21,509	147,460	10,888,565
Segment liabilities	56,286	1,286,590	-	4,527	125,230	870,089	283,877	120,971	-	-	381,048	3,128,618
Unallocated corporate liabilities	154,842	819,777	-	-	-	59,066	-	63	-	-	10,931	1,044,679
Total liabilities	211,128	2,106,367	-	4,527	125,230	929,155	283,877	121,034	-	-	391,979	4,173,297

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	2,815,523	3,141,165	-	5,654	44,713	2,353,332	377,123	105,875	94,503	56,610	37,133	9,031,631
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	214,061	214,061
Total assets	2,815,523	3,141,165	-	5,654	44,713	2,353,332	377,123	105,875	94,503	56,610	251,194	9,245,692
Segment liabilities	453,097	1,239,925	-	3,743	125,401	790,468	273,776	117,316	-	-	8,365	3,012,091
Unallocated corporate liabilities	172,997	462,410	-	-	-	55,452	-	-	-	-	-	690,859
Total liabilities	626,094	1,702,335	-	3,743	125,401	845,920	273,776	117,316	-	-	8,365	3,702,950



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 were no material events subsequent to the end of the current quarter.

A12. Changes in the Composition of the Group

On 19 September 2011, QSR Brands Berhad announced the re-organisation of its group structure resulting in the Company purchasing the following wholly-owned subsidiary companies:

Target Companies	Vendor	Cost (RM)
Pizza Hut Restaurants Sdn Bhd	Pizza Hut Holdings (Malaysia) Sdn Bhd	44,134,000.00
PH Property Holdings Sdn Bhd	Pizza Hut Holdings (Malaysia) Sdn Bhd	2.00
Multibrand QSR Holdings Pte Ltd	Pizza Hut Holdings (Malaysia) Sdn Bhd	10,000,004.00

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 30 September 2011 are as follows:

	RM'000
Contracted	40,694
Not contracted	247,975
	288,669



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A15. Impairment of Assets

There were no significant impairment losses recognised by the Company and the Group during the quarter.

A16. Related Party Disclosures

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

	3 months ended		9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM '000	RM '000	RM '000	RM '000
Group				
Ultimate holding corporation				
Johor Corporation				
- Agency fee received	100	129	250	304
- Sales of oil palm fresh fruit bunches	531	2,543	531	23,412
- Purchasing and sales commission received	593	596	1,822	2,355
- Planting advisory and agronomy fee received	43	58	130	130
- Computer charged received	9	23	73	52
- Inspection fee received	8	20	23	45
- Rental payable	157	157	471	471



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

The Group recorded higher revenue at RM5.24 billion for the cumulative quarters under review compared to the corresponding period in 2010 revenue of RM4.056 billion, a 29.19% increase.

The Group recorded PBT of RM1.067 billion for the cumulative quarters 2011 compared to PBT of RM560 million for the corresponding period in 2010, a 90.6% increase.

Group profit for the year for the current quarter is lower by 31.74% to RM249.8 million compared to last year quarter of RM365.92 million due to the disposal of Oleochemicals Group that recorded a profit of RM156 million last year.

Operational results

Plantations:

(i) Plantation Operation - Malaysia

The Group's FFB production for the current quarter 2011 is at 184,427mt compared to the corresponding period in 2010 of 158,568mt, a 16.31% increase.

The Group's cumulative FFB production inclusive of Sindora Berhad for the cumulative quarters ending September 2011 is at 465,807mt. This is 13.48% higher compared to the FFB production for the corresponding period in 2010.

The Group's OER for the cumulative quarters 2011 is marginally lower inclusive Sindora Berhad at 20.14% compared to 20.26% for the corresponding period in 2010.

Total FFB processed by the Group mills for the cumulative quarters 2011 is at 683,882mt which is 14.32% higher compared to the corresponding period in 2010. Total FFB processed is inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved CPO and PK cumulative price averages of RM3,248 and RM2,433 per mt respectively for the cumulative quarters in 2011 compared to RM2,511 and RM1,488 per mt for CPO and PK respectively for the corresponding period in 2010.

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

NBPOL Group produced 399,567 mt FFB in the current quarter 2011 which is 9.74% higher compared to the corresponding period in 2010. Together with crops purchased from outside the Group, NBPOL Group processed 559,856 mt FFB for the current quarter which is 24.58% higher compared to the corresponding period in 2010.



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 (continued)

The Group's cumulative FFB production for the cumulative quarters ending September 2011 is at 1,332,423mt. This is 27.97% higher compared to the FFB production for the corresponding period in 2010. FFB processed for the cumulative quarters is at 1,855,086mt which is 32.58% higher compared to the corresponding period in 2010.

Contribution to NBPOL Group FFB production from GPPOL for the cumulative quarters ending September 2011 is at 97,764mt which is 2.54% higher than the contribution for the corresponding period in 2010.

Contribution to NBPOL Group FFB production from RAMU for the cumulative quarters ending September 2011 is at 58,679mt compared to 54,210mt in the corresponding period in 2010 which is 8.24% increase.

Contribution to NBPOL Group FFB production from KULA for the cumulative quarters ending September 2011 is at 447,969mt compared to 236,639mt in the corresponding period in 2010 which is 89.30% increase.

NBPOL Group OER for the cumulative quarters 2011 is at 22.73% which is 2.71% higher than the Group OER for the corresponding period in 2010. OER of NBPOL, RAMU, GPPOL and KULA are at 22.88%, 25.44%, 21.74% and 22.38% respectively.

NBPOL Group achieved CPO price averages of USD1,115 per mt for the cumulative quarters 2011 compared to USD809 per mt achieved for the corresponding period in 2010.

Foods and Restaurants:

QSR group registered revenue of RM2,426.8 million for the cumulative quarters 2011, representing an increase of 10.1% over prior year's corresponding period of RM2,204.4 million.

QSR profit before tax declined marginally by 0.7% to RM187.9 mil in the current period as against previous year's corresponding period of RM 189.2 mil.

KFC Holdings (Malaysia) Berhad achieved revenue of RM2,032.1 million for the cumulative quarters, representing a growth of 10.5% over prior year's corresponding period of RM1,838.4 million.

KFCH profit before tax declined marginally by 2.5% to RM 154.5 mil in the cumulative quarters as against previous year's corresponding period of RM 158.4 mil.

Intrapreneuer Ventures (IV)

The revenue from the IV business excluding shipping services grew to RM174 million for the cumulative quarters under review, a 17.68% increase compared to the corresponding period in 2010. The business on recorded an improved performance with profit before tax of RM10.9 million for the cumulative quarters 2011. (2010: RM3.2 million)



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) (continued)

The shipping business revenue improved to RM124 million for the cumulative quarters under review, a 106.8% higher compared to the corresponding period in 2010 due to contribution from newly acquired subsidiary, Orkim and much improved performance of EA Technique under Sindora Group. The business recorded a profit before tax of RM9.8 million for the cumulative quarters 2011. (2010: RM4.68 million)

Property Investment:

The Company's office tower, the Menara Ansar in Johor Bahru recorded a surplus for the cumulative quarters 2011 of RM2.716 million compared to a surplus of RM2.539 million for the corresponding period in 2010.

B2. Material Changes in the Quarterly Results

The Oil Palm sector recorded higher revenue and profits for the cumulative quarters due to better Palm products prices and higher ffb production compared to the corresponding period last year.

The Foods and Restaurant registered turnover of RM 821.5 mil in the current quarter, an increase of 10.0% over previous year corresponding period of RM 746.5 mil. However, profit before tax decreased by 10.1% to RM 58.5 mil in the current quarter from RM 65.1 mil in the previous year corresponding quarter.

B3. Current Year Prospects

Palm products prices during the cumulative quarters ended September 2011 were traded higher than the corresponding period in 2010. With crude palm oil prices currently trading at above RM3,000 pmt, results from the Group's oil palm division is expected to show a significant improvement over 2010.

The Foods and Restaurants Group continues to face inflationary pressures both on revenue and supplies. To mitigate these risks, it continues to develop and introduce new products and launch promotions with value propositions for the consumers, and is also continuously seeking better cost efficiencies and improving productivity at all its business segments.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B3. Current Year Prospects (continued)**

The shipping business has registered improvement as all the vessels ordered have been progressively delivered to the oil majors on term charter which is currently operating smoothly.

The board is confident that 2011 will be another good year for the Group.

B4. Profit Forecast/Profit Guarantee

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

B5. Taxation

	3 MONTHS ENDED		9 MONTHS ENDED	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Current Taxation				
-Malaysia	(34,787)	(23,823)	(102,582)	(66,181)
-Overseas	(30,729)	(28,923)	(71,908)	(74,682)
	(65,516)	(52,746)	(174,490)	(140,863)
Transfer to deferred Taxation				
-Malaysia	11,638	(4,014)	(526)	(6,206)
-Overseas	(25,990)	-	(99,446)	-
	(14,352)	(4,014)	(99,972)	(6,206)
Total	(79,868)	(56,760)	(274,462)	(147,069)

Effective tax rate is higher than the official tax rates applicable to the Group Companies at their respective geographical locations. Certain expenses were disallowed at subsidiaries contributed to the higher tax provision.

B6. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and properties during the year.

**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)**

- (a) The particulars of purchase or disposal of quoted securities are as follows :-

	3 MONTHS ENDED 30.09.2011 RM'000	9 MONTHS ENDED 30.09.2011 RM'000
Total Purchase consideration	36,287	168,142
Total Sale proceeds	(133,319)	(403,808)
Total Profit/(Loss) on Disposals	27,509	58,847

- (b) Investment as at 30 September 2011.

	Held as Long Term Investments RM'000	Held as Current Assets RM'000	TOTAL RM'000
At cost	120,469	3,555	124,024
At carrying value/ market value	112,479	1,650	114,129

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.

- a) On 13
- th
- November 2007 the Company announced on a proposed Collaboration with PNG Sustainable Development Program Limited to jointly undertake 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.

- b) The Company had on 16
- th
- August proposed acquisition of plantation assets from Johor Corporation ("JCorp") by Mahamurni Plantations Sdn Bhd ("MPSB"), a wholly-owned subsidiary of Kulim, of six (6) estates (together with all buildings and mills (including their plant and machineries) erected thereon), all located in the state of Johor with a total land area measuring approximately 13,687 hectares for a total cash consideration of RM700 million.

The conditional sale and purchase agreements ("SPA") are as follows:

- (i) a SPA between MPSB and Johor Corporation ("JCorp") for the proposed acquisition of the oil palm plantation land (together with all buildings erected thereon together with assets, equipments, appliances, and plant and machineries located within the oil palm plantation) known as "Sungai Papan Estate" for a total cash consideration of RM183,300,000;



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) a SPA between MPSB and JCorp Hotels and Resorts Sdn Bhd (“JHR SB”) (formerly known as *Kumpulan Penambang (J) Sdn Bhd*), a wholly-owned subsidiary of JCorp, for the proposed acquisition of the oil palm plantation land (together with all buildings erected thereon together with assets, equipments, appliances, and plant and machineries located within the oil palm land) known as “Part of Siang Estate” for a total cash consideration of RM191,600,000;
 - (iii) a SPA between MPSB and JCorp for the proposed acquisition of the land currently planted with oil palm cultivation (together with all buildings and palm oil mill (“Pasir Panjang Mill”) erected thereon (together with assets, equipments, appliances, and plant and machineries located within the land and Pasir Panjang Mill)) known as “Part of Pasir Panjang Estate” for a total cash consideration of RM71,783,000;
 - (iv) a SPA between MPSB and Johor Foods Sdn Bhd (“JFSB”), a wholly-owned subsidiary of JCorp, for the proposed acquisition of the land currently planted with oil palm cultivation (together with all buildings and palm oil mill (“Palong Mill”) erected thereon (together with assets, equipments appliances, and plant and machineries located within the land and Palong Mill)) known as “Mungka, Kemedak and Palong Estate” for a total cash consideration of RM253,317,000.
- c) On 16th August 2011 the Company announced on a proposed conditional take-over offer to acquire all the remaining ordinary shares of RM1.00 each in Sindora not already owned by Kulim for a cash offer price of RM3.00 per offer share.

On 28th September 2011 the Company announced to acquire all the remaining Sindora shares for a cash offer price from of RM3.00 to revised offer of RM3.10.

On 1 November 2011 the Company announced by virtue of having received and verified valid acceptances in respect of the Offer, acquired not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding Sindora Shares already held at the date of the Offer by the PACs). As set out in Section 6 of the Offer Document, Kulim has invoke the provisions of Section 222(1) of the Capital Markets and Services Act 2007 (“CMSA”) to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received if the Offer has been accepted by holders of not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding Sindora Shares already held at the date of the Offer by the PACs).

On 4 November 2011 the Company announced that the offer has been closed which is 98.28% shares held and the company is to compulsory acquire the remaining 1.72% shares.



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;

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 21 September 2011 to further extend the condition precedents fulfilment period until 25 September 2011 in order for Sindora to obtain a separate document of title for the said Land.

- b) 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., a subsidiary of QSR Brands Berhad, as subsidiary of the Company;

- a) 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.

- b) 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.

KFCH 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 have been 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 SPA with Damansara Realty (Johor) Sdn Bhd.



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)

- c) KFCH on 11 July 2011 announced the purchase of part of the freehold vacant commercial land measuring approximately 3.095 acres or 134,818 sq ft on part of Lot PTD 156352 (previously under part of Lot 84134) located within Bandar Dato' Onn ("BDO") ("Parcel 2") at a total consideration of RM9,167,624.00 or RM68.00 per sq.

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

B9. Borrowings and Debt Securities

	As at 30-Sep-11 RM'000	As at 31-Dec-10 RM'000
Term loan		
Secured:		
- denominated in RM	901,893	831,042
- denominated in USD	792,214	707,463
- denominated in Kina	108,320	104,758
Unsecured		
- denominated in RM	205,917	171,530
- denominated in USD	-	3,313
- denominated in Kina	35,090	30,623
- denominated in SDR	11,628	11,628
Less:		
- due within 12 months (reclassified to short term borrowings)	(227,967)	(929,336)
Total Term Loan	1,827,095	931,020
Other short term borrowings:		
Bank Overdraft		
- Secured	-	23,021
- Unsecured	9,038	9,900
Revolving credit		
- Secured	-	-
- Unsecured	112,189	21,200
Banker's acceptance		
- Secured	-	-
- Unsecured	12,112	9,412
Finance lease liabilities		
- Secured	2,086	2,043
- Unsecured	604	497
Total -Short term borrowings	136,029	66,074
Term loan (reclassified)	227,967	929,336
Total Borrowings	2,191,091	1,926,430



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

B10. Material Litigation, Claims and Arbitration

There were no material litigations, claims and arbitration outstanding.

B11. Dividend Proposed

There was no dividend payment proposed during the quarter.

B12. Earnings Per Share (“EPS”)

	CURRENT QUARTER		CUMULATIVE QUARTERS	
	1 JUL - 30 SEP 2011 RM'000	1 JUL - 30 SEP 2010 RM'000	1 JAN - 30 SEP 2011 RM'000	1 JAN - 30 SEP 2010 RM'000
Basic earnings per share				
Net profit for the period	171,073	284,658	444,463	361,212
Weighted average no of share in issue	1,224,532	312,349	1,224,532	312,349
Basic earnings per share	13.97	91.13	36.30	115.64
Diluted earnings per share	12.39	-	32.19	-

B13. Currency Translation

The exchange rates used for each unit of the currencies in the Group for the current financial period are:

	THIS YEAR CURRENT QUARTER		PRECEEDING YEAR CORRESPONDING QUARTER	
	MTH-END RATE	AVERAGE RATE	MTH-END RATE	AVERAGE RATE
Papua New Guinea Kina (Kina)	1.4300	1.3451	1.2065	1.2642
United Kingdom Pound Sterling (GBP)	4.9580	4.8655	4.8830	5.1726
United States of America Dollar (USD)	3.1885	3.1368	3.0865	3.2579
EUR	4.3130	4.2009	4.2070	4.5611
Singapore Dollar (S\$)	2.4533	2.4219	2.3443	2.3924
Solomon Islands Dollar (SBD)	0.3937	0.3946	0.3708	0.3715



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

Pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, the breakdown of retained profits of the Group as at the reporting date, is as follows :-

	As at 30 Sep 2011 RM'000	As at 31 Dec 2010 RM'000
The retained earnings of the Group is made up as follows:-		
- Realised	2,959,319	2,425,958
- Unrealised	(803,813)	(636,451)
	<hr/> 2,155,506	<hr/> 1,789,507
Add : Consolidation adjustments	176,802	183,342
	<hr/> 2,332,308	<hr/> 1,972,850

By Order of the Board
KULIM (MALAYSIA) BERHAD

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

Dated : 25 November 2011