



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2011



**CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2011**

	3 months ended		12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000 Audited
Revenue	1,801,700	1,432,758	7,041,777	5,488,939
Expenses excluding finance cost & tax	(1,375,093)	(1,131,675)	(5,442,662)	(4,430,553)
Depreciation and amortisation	(157,760)	(83,208)	(419,615)	(321,189)
Other operating income / (loss)	52,229	20,468	258,305	113,595
Profit from operations	321,076	238,343	1,437,805	850,792
Finance cost	(27,455)	(23,624)	(91,332)	(81,440)
Interest income	2,248	2,128	11,464	6,370
Share of profit in associates	1,561	987	6,992	2,174
Profit before taxation	297,430	217,834	1,364,929	777,896
Income tax expense	(54,637)	(86,612)	(329,099)	(233,681)
Profit from continuing operations	242,793	131,222	1,035,830	544,215
Discontinued operation				
Profit from discontinued operation, net of tax	-	-	-	151,611
Profit for the year	242,793	131,222	1,035,830	695,826
Profit attributable to:				
Owners of the company	104,720	24,402	549,182	385,592
Minority interest	138,073	106,820	486,648	310,234
Profit for the period	242,793	131,222	1,035,830	695,826
Basic earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
From continuing operations	8.51	7.81	44.62	74.91
From discontinued operations	-	-	-	48.54
Diluted earnings per ordinary share (sen):				
From continuing operations	8.51	7.81	44.62	74.91
From discontinued operations	-	-	-	48.54

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 TWELVE MONTHS ENDED 31 DECEMBER 2011**

	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
				Audited
Profit for the period	242,793	131,222	1,035,830	695,826
Foreign currency translation differences for foreign operations	(300,897)	137,952	67,524	3,052
Transfer (from) / to:				
- reserve	(22,894)	(675)	(22,894)	(675)
- retained profits	22,894	675	22,894	675
Cash flow hedge	6,288	(112,039)	120,801	(98,372)
Available for sale reserve	30,215	56,294	(2,215)	56,294
Total comprehensive income for the period	(21,601)	213,429	1,221,940	656,800
Total comprehensive income attributable to:				
Owners of the company	(8,144)	(3,835)	643,148	340,522
Minority interest	(13,457)	217,264	578,792	316,278
Total comprehensive income for the period	(21,601)	213,429	1,221,940	656,800

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 FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	AS AT END OF CURRENT QUARTER 31.12.2011	AS AT PRECEEDING FINANCIAL YEAR 31.12.2010 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	7,708,304	5,876,948
Investment property	98,296	97,863
Investment in associates	24,334	56,610
Other investments	116,464	214,061
Intangible assets:	1,106,406	1,054,785
Goodwill (on consolidation)	288,100	221,635
Deferred farm expenditure (agriculture/non-perennial crop)	9,501	7,890
Other intangibles (if any)	808,805	825,260
Deferred tax assets	-	917
Non-current assets	9,053,804	7,301,184
Investment/property held for sale	13,032	13,500
Other investments	33,384	145,517
Inventories	905,883	700,690
Trade and other receivables	880,960	607,530
Tax recoverable	43,575	25,125
Cash and cash equivalents	644,751	452,146
Current assets	2,521,585	1,944,508
TOTAL ASSETS	11,575,389	9,245,692
EQUITY AND LIABILITIES		
Share capital	315,510	159,336
Share premium	116,012	272,184
Other reserves:	1,211,424	1,160,998
Revaluation and other reserves	1,193,666	1,206,688
Warrant reserve	113,944	-
Treasury shares	(96,186)	(45,690)
Revenue reserves	2,420,670	1,972,850
Equity Attributable to Equity Holders of the Company	4,063,616	3,565,368
Minority Interest	2,466,386	1,977,374
Total equity	6,530,002	5,542,742
Term loans	2,126,520	931,020
Derivative financial instruments	-	25,201
Employee benefits	2,700	2,913
Deferred tax liabilities/(assets)	1,457,777	691,776
Non current liabilities	3,586,997	1,650,910
Trade and other payables	803,349	794,421
Derivative financial instruments	2,104	149,476
Current income tax liabilities	158,212	112,089
Borrowings:		
Term Loans due within the year/12 months	231,985	929,336
Short-term borrowings	262,439	66,074
Employee benefits	301	644
Current liabilities	1,458,390	2,052,040
TOTAL LIABILITIES	5,045,387	3,702,950
TOTAL EQUITY AND LIABILITIES	11,575,389	9,245,692
NET ASSETS PER SHARE (RM)	3.29	11.19

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



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Interim report for the financial year ending 31 December 2011

	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2011										
	NO. OF SHARES	← ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY →					← DISTRIBUTABLE →		TOTAL RM'000	MINORITY INTEREST RM'000	TOTAL EQUITY RM'000
		NOMINAL VALUE RM'000	TREASURY SHARES RM'000	SHARE PREMIUM RM'000	WARRANT RESERVE RM'000	REVALUATION & OTHER RESERVES RM'000	NON-DISTRIBUTABLE	DISTRIBUTABLE RETAINED EARNINGS RM'000			
Balance as at 1 January 2010 as previously reported	318,669,739	159,336	(45,690)	272,184	-	1,264,547	1,720,988	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	-	-	-	-	-	(45,019)	-	(45,019)	48,071	3,052	
Transfer from reserve to retained earnings	-	-	-	-	-	(675)	675	-	-	-	
Fair value of available-for-sale financial assets	-	-	-	-	-	55,617	-	55,617	677	56,294	
Cash flow hedges	-	-	-	-	-	(55,668)	-	(55,668)	(42,704)	(98,372)	
Total other comprehensive income for the year	-	-	-	-	-	(45,745)	675	(45,070)	6,044	(39,026)	
Profit for the period/year	-	-	-	-	-	-	385,592	385,592	310,234	695,826	
Total comprehensive income for the period	-	-	-	-	-	(45,745)	386,267	340,522	316,278	656,800	
Share buy back	-	-	-	-	-	-	-	-	(5,176)	(5,176)	
Increase in minority shareholders' interest	-	-	-	-	-	-	-	-	33,150	33,150	
Arising from acquisition from minority interest	-	-	-	-	-	-	-	-	(5,009)	(5,009)	
Dividends for the period / year	-	-	-	-	-	-	(134,700)	(134,700)	-	(134,700)	
Dividends to minority interests of subsidiaries	-	-	-	-	-	-	-	-	(14,994)	(14,994)	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(34,150)	(34,150)	
Balance as at 31 December 2010	318,669,739	159,336	(45,690)	272,184	-	1,206,688	1,972,850	3,565,368	1,977,374	5,542,742	
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	-	-	-	-	-	29,443	-	29,443	38,081	67,524	
Transfer from reserves to retained profit	-	-	-	-	-	(22,894)	22,930	36	(36)	-	
Cash flow hedges	-	-	-	-	-	67,034	-	67,034	53,767	120,801	
Fair value of available-for-sale financial assets	-	-	-	-	-	(54,362)	51,815	(2,547)	332	(2,215)	
Total other comprehensive income for the year	-	-	-	-	-	19,221	74,745	93,966	92,144	186,110	
Profit for the year	-	-	-	-	-	-	549,182	549,182	486,648	1,035,830	
Total comprehensive income for the year	-	-	-	-	-	19,221	623,927	643,148	578,792	1,221,940	
Increase in minority interest	-	-	-	-	-	-	-	-	15,032	15,032	
Share split (Every 1 share into 2 shares)	318,669,739	-	-	-	-	-	-	-	-	-	
Bonus issue (1 bonus share for every 1 share)	612,055,078	156,174	-	(156,174)	-	-	-	-	-	-	
Warrant issue (1 warrant for every 8 shares)	-	-	-	-	113,944	-	(113,944)	-	-	-	
Warrant exercised	500	-	-	2	-	-	-	2	-	2	
Acquisition of additional interest in subsidiaries	-	-	-	-	-	(32,497)	-	(32,497)	(54,232)	(86,729)	
Reversal of deferred tax	-	-	-	-	-	254	-	254	-	254	
Dividends to shareholders	-	-	-	-	-	-	(61,728)	(61,728)	-	(61,728)	
Dividend to minority interest of subsidiaries	-	-	-	-	-	-	-	-	(45,926)	(45,926)	
Shares buy back by subsidiaries	-	-	-	-	-	-	-	-	(4,654)	(4,654)	
Treasury shares acquired	(14,840,000)	-	(50,496)	-	-	-	-	(50,496)	-	(50,496)	
Acquisition of new subsidiaries	-	-	-	-	-	-	(435)	(435)	-	(435)	
Balance as at 31 December 2011	1,234,555,056	315,510	(96,186)	116,012	113,944	1,193,666	2,420,670	4,063,616	2,466,386	6,530,002	

(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)



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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2011		
	AS AT 31.12.2011	AS AT 31.12.2010
	RM'000	Audited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- continued operations	1,364,929	777,896
- discontinued operations	-	1,476
	1,364,929	779,372
Adjustments for :		
Non-cash item	18,303	289,600
Operating profit before changes in working capital	1,383,232	1,068,972
Changes in working capital:		
Inventories	(205,193)	(198,264)
Payables	(273,430)	40,091
Receivables	(113,127)	44,351
Cash generated from operations	791,482	955,150
Employee benefits paid	-	(213)
Income tax paid	465,493	(150,159)
Net cash generated from operating activities	1,256,975	804,778
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	(18)	(629,676)
Dividends received	-	2,591
Interest received	11,464	6,370
Purchase of equity interest in subsidiary from minority shareholders	-	(5,009)
Payment of:		
- deferred farm expenditure	(1,611)	(5,436)
Purchase of:		
- equity interest in:		
- associates	39,268	(5,980)
- other investments	-	(195)
- other investments	(207,390)	(227,072)
- property, plant and equipment	(1,834,980)	(726,053)
- intangible assets	(8,431)	(14,310)
Proceeds from:		
- disposal of other investment:		
- non-current	441,318	-
- disposal of subsidiaries	-	439,882
- disposal of property, plant and equipment	34,998	17,364
- partial disposal of subsidiaries	-	70,051
Net cash (used in)/generated from investing activities	(1,525,382)	(1,077,473)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to:		
- shareholders of the Company	(61,726)	(40,996)
- minority shareholders of subsidiaries	(45,926)	(14,994)
Proceeds from term loans	1,089,575	797,232
Repayment of term loans	(365,052)	(272,555)
Repayment of short-term borrowings	-	(47,769)
Proceeds from the issue of shares:		
- Warrants	2	-
Purchase of treasury shares	(50,496)	(5,176)
Issue of shares to minority shareholders of subsidiaries	15,032	-
(Addition) / Withdrawal of fixed deposits pledged	(49,074)	(11,182)
Interest paid		
- continuing	(91,332)	(81,440)
- discontinued	-	(7,004)
Net cash used in financing activities	441,003	316,116
Net (decrease in cash and cash equivalents)	172,596	43,421
Effect of exchange reserve rate fluctuations on cash held	945	(2,370)
Cash and cash equivalents at 1 January	406,434	365,383
Cash and cash equivalents at 31 December	579,975	406,434

Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

Cash and bank balances	499,910	309,602
Deposits with licensed banks	144,841	142,544
	644,751	452,146
Less:		
Deposits pledged	(61,865)	(12,791)
Bank overdraft	(2,911)	(32,921)
	579,975	406,434



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 the estimated amount reported in prior interim period or financial year that have material 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

During the quarter, the Board declared a single tier interim dividend of 5.0 sen per share totaling approximately RM61.72 million on 25 November 2011 and the payments were made on the 23 December 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:



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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Results for 3 months Ended 31 December 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	202,558	579,975	-	1,509	-	923,115	46,334	44,784	1,984	-	1,441	-	1,801,700
Segment results	53,936	214,231	-	(7)	(1,307)	86,674	15,655	(7,256)	(7,080)	1,561	(33,770)	-	322,637
Interest income	2,067	198	-	(117)	-	-	-	(400)	-	-	500	-	2,248
Finance costs	(5,809)	(9,307)	-	(112)	(39)	(4,672)	(8,496)	(578)	-	-	1,558	-	(27,455)
Profit before tax	50,194	205,122	-	(236)	(1,346)	82,002	7,159	(8,234)	(7,080)	1,561	(31,712)	-	297,430

Results for 3 months Ended 31 December 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	143,684	374,432	-	(1,145)	542	831,400	27,385	57,871	1,897	-	(3,308)	-	1,432,758
Segment results	102,346	150,593	-	(686)	(39,346)	80,833	3,779	(2,876)	974	987	(57,274)	-	239,330
Interest income	1,864	55	-	(144)	-	-	241	(185)	-	-	297	-	2,128
Finance costs	(6,801)	(9,852)	-	(75)	(772)	(3,160)	(3,481)	(1,032)	-	-	1,549	-	(23,624)
Profit before tax	97,409	140,796	-	(905)	(40,118)	77,673	539	(4,093)	974	987	(55,428)	-	217,834



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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Results for 12 months Ended 31 December 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	821,485	2,442,799	-	8,304	-	3,349,914	169,935	231,361	8,200	-	9,779	-	7,041,777
Segment results	236,603	893,217	-	(972)	(8,864)	283,900	37,469	5,531	(4,364)	6,992	(4,715)	-	1,444,797
Interest income	7,721	2,950	-	-	-	-	-	(1,019)	-	-	1,812	-	11,464
Finance costs	(22,072)	(33,307)	-	(112)	(652)	(13,972)	(20,467)	(1,536)	-	-	786	-	(91,332)
Profit before tax	222,252	862,860	-	(1,084)	(9,516)	269,928	17,002	2,976	(4,364)	6,992	(2,117)	-	1,364,929

Results for 12 months Ended 31 December 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	575,130	1,532,526	881,511	4,988	22,908	3,035,827	87,153	205,647	7,587	-	17,173	(881,511)	5,488,939
Segment results	212,614	456,304	8,479	(2,858)	(63,347)	277,355	12,283	950	3,513	2,174	(46,022)	(8,479)	852,966
Interest income	4,041	482	-	3	-	-	241	(185)	-	-	1,788	-	6,370
Finance costs	(32,346)	(29,302)	(7,004)	(75)	(1,521)	(10,496)	(7,305)	(1,694)	-	-	1,299	7,004	(81,440)
Profit before tax	184,309	427,484	1,475	(2,930)	(64,868)	266,859	5,219	(929)	3,513	2,174	(42,935)	(1,475)	777,896



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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Assets and Liabilities As at 31 December 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	3,384,829	4,677,453	-	5,316	35,565	2,686,468	404,011	128,865	94,602	24,334	17,682	11,458,925
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	116,464	116,464
Total assets	3,384,829	4,677,453	-	5,316	35,565	2,686,468	404,011	128,865	94,602	24,334	134,146	11,575,389
Segment liabilities	490,436	1,243,224	-	4,490	125,769	951,745	300,422	139,098	-	-	332,426	3,587,610
Unallocated corporate liabilities	167,410	1,198,609	-	-	-	82,515	-	-	-	-	9,243	1,457,777
Total liabilities	657,846	2,441,833	-	4,490	125,769	1,034,260	300,422	139,098	-	-	341,669	5,045,387

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

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

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 2011 are as follows:

	RM'000
Contracted	63,361
Not contracted	351,934
	415,295

**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 transactions between Kulim (Malaysia) Berhad group and its related companies are as follows:-

	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM '000	RM '000	RM '000	RM '000
Group				
Ultimate holding corporation				
Johor Corporation				
- Agency fee received	84	102	334	406
- Sales of oil palm fresh fruit bunches	-	20,869	531	23,412
- Purchasing and sales commission received	513	719	2,335	3,074
- Planting advisory and agronomy fee received	43	43	173	174
- Computer charged received	24	46	97	98
- Inspection fee received	7	15	30	60
- Rental payable	158	158	629	629



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 RM7.04 billion for the cumulative quarters under review compared to the corresponding period in 2010 revenue of RM5.49 billion, an increase of 28.29%.

The Group recorded PBT of RM1.36 billion for the cumulative quarters 2011 compared to PBT of RM777.90 million for the corresponding period in 2010, an improvement of 75.46%.

Operational results

Plantations:

(i) Plantation Operation - Malaysia

The Group's FFB production for the current quarter 2011 is at 170,955mt compared to the corresponding period in 2010 at 140,742mt, an increase of 21.47%.

The Group's cumulative FFB production for the cumulative quarters ending December 2011 is at 636,761mt. This is 15.52% higher compared to the FFB production for the corresponding period in 2010.

The Group's OER for the cumulative quarters 2011 is marginally lower at 20.20% compared to 20.24% for the corresponding period in 2010.

Total FFB processed by the Group mills for the cumulative quarters 2011 is at 919,307mt which is 14.02% higher compared to the corresponding period in 2010. Total FFB processed is inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved price averages of CPO price at RM3,193 and PK at RM2,300 per mt respectively for the cumulative quarters in 2011 compared to RM2,604 and RM1,666 per mt for CPO and PK respectively for the corresponding period in 2010.

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

NBPOL Group produced 406,205mt FFB in the current quarter 2011 which is 48.96% higher compared to the corresponding period in 2010. Together with crops purchased from outside the Group, NBPOL Group processed 565,917mt FFB for the current quarter which is 25% 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 ending December 2011 is at 1,738,628mt. This is 32.33% higher compared to the FFB production for the corresponding period in 2010. FFB processed for the cumulative quarters is at 2,421,003mt which is 30.73% higher compared to the corresponding period in 2010.

NBPOL Group OER for the cumulative quarters 2011 is at 22.79% which is 1.65% higher than the Group OER for the corresponding period in 2010.

NBPOL Group achieved average CPO price of USD1,108 per mt for the cumulative quarters 2011 compared to USD850 per mt achieved for the corresponding period in 2010.

Foods and Restaurants:

QSR Group of Companies registered revenue of RM3.35 billion for the cumulative quarters 2011, representing an increase of 10.35% over corresponding period 2010 of RM3.04 billion.

The Group profit before tax increased marginally by 1.15% to RM269.93 million in the current period as against corresponding period of RM266.86 million.

Individually, KFC Holdings (Malaysia) Berhad achieved revenue of RM2.80 billion for the cumulative quarters, representing a growth of 10.96% over corresponding period 2010 of RM2.52 billion.

However its profit before tax declined marginally by 2.84% to RM215.49 million in the cumulative quarters as against corresponding period 2010 of RM221.80 million.

Intrapreneuer Ventures (IV)

The revenue from the IV business excluding shipping services grew to RM231.36 million for the cumulative quarters under review, an increase of 12.50% compared to the corresponding period in 2010. The business recorded an improved performance with profit before tax of RM2.98 million for the cumulative quarters 2011. (2010: Loss of RM0.93 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 RM169.94 million for the cumulative quarters under review, an increase of 94.99% compared to the corresponding period in 2010 due to contribution from a newly acquired subsidiary, Orkim and much improved performance of EA Technique under Sindora Group. The business recorded a profit before tax of RM17.00 million for the cumulative quarters 2011. (2010: RM5.22 million)

B2. Material Changes in the Quarterly Results

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

The Foods and Restaurant registered turnover of RM 923.12 million in the current quarter, an improvement of 11.03% over corresponding period 2010 of RM 831.40 million. Profit before tax increased by 5.57% to RM 82.00 million in the current quarter from RM 77.67 million in the corresponding period 2010.

B3. Current Year Prospects

The outlook for palm oil prices remain favourable and is expected to contribute significantly in maintaining Group's earnings. 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 2011's performance for the financial year 2012. The challenges will be on managing costs as inflationary pressures manifest a significant concern to consumers particularly on food items.

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 Group also take cognisant of a number of corporate exercises announced but pending completion, of which upon its completion, will have a significant impact on the Group's financials, namely:

- 1) Proposed New Issuance of up to 5% of NBPOL's Issued Share Capital by NBPOL.
- 2) Conditional Offer by Massive Equity Sdn Bhd to acquire all assets and liabilities of QSR Brands Bhd and KFC Holdings (M) Bhd.



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 subjected to any profit forecast or profit guarantee requirement.

B5. Taxation

	3 MONTHS ENDED		12 MONTHS ENDED	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Current Taxation				
-Malaysia	(6,924)	(23,619)	(109,506)	(89,800)
-Overseas	(68,395)	(5,153)	(140,303)	(79,835)
	(75,319)	(28,772)	(249,809)	(169,635)
Transfer to deferred Taxation				
-Malaysia	(32,289)	(14,161)	(32,815)	(20,367)
-Overseas	52,971	(43,679)	(46,475)	(43,679)
	20,682	(57,840)	(79,290)	(64,046)
Total	(54,637)	(86,612)	(329,099)	(233,681)

Effective tax rate is lower than the official tax rates applicable to the Group Companies at their respective geographical locations.

B6. Other operating income / (expenses)

	CURRENT QUARTER		CUMULATIVE QUARTERS	
	1 OCT- 31 DEC 2011 RM'000	1 OCT- 31 DEC 2010 RM'000	1 JAN - 31 DEC 2011 RM'000	1 JAN - 31 DEC 2010 RM'000
Gain on disposal of shares	3,761	16,354	16,477	45,001
Fair value changes on FVTPL instrument	17,088	-	17,088	-
Impairment of assets	-	(35,297)	-	(55,544)
Derivatives gains on forex	-	(38,017)	-	(19,008)
Foreign exchange gain or loss	46,081	6,267	119,466	23,365
Share of join ventures	-	5,795	-	12,667
Rental income	626	314	1,551	1,193
Services charge income	7,715	7,060	27,008	26,304
Delivery income	455	850	2,477	3,357
Miscellaneous income / (expenses)	(23,497)	57,142	74,238	76,260
Total other operating income / (losses)	52,229	20,468	258,305	113,595



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

B7. 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 as at the date of this report are as follows:

- i. Announcement made by Kulim (Malaysia) Berhad.
- a) The Company had on 16 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) The SPA between MPSB and Johor Corporation (JCorp) for its 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 and SPA between MPSB and JCorp Hotels and Resorts Sdn Bhd (“JHRSB”) (formerly known as *Kumpulan Penambang (J) Sdn Bhd*), a wholly-owned subsidiary of JCorp, for the 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. Payments were effected on 31st December 2011.

The proposed acquisitions that are yet to be completed are as follows:-

- (i) 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;
 - (ii) 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.
- b) The Company had on 14 December 2011 announced that the Board of Directors of QSR has received a letter from Massive Equity Sdn Bhd (“MESB”) which sets out MESB’s conditional offer to acquire substantially all the business and undertaking including substantially all of the assets and liabilities of QSR (“QSR Offer”). The Company also announced that, on even date, the Board of Directors of KFC received a letter from MESB which sets out MESB’s conditional offer to acquire the entire



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

B7. Status of Uncompleted Corporate Announcement (continued)

business and undertaking including all of the assets and liabilities of KFC (“KFC Offer”)

The Company had on 21 December 2011 announced that the Board of Directors of QSR and KFC have accepted the “QSR Offer” and “KFC Offer” respectively subject to the execution of the relevant sale and purchase agreement.

- c) The Company had on 21 December 2011, announced that the Board of Directors of QSR (save for the interested directors under the QSR Offer) and KFC (save for the interested directors under the KFC Offer) have accepted the QSR Offer and KFC Offer respectively on 21 December 2011, subject to the execution of the relevant sale and purchase agreement.
- d) The Company had on 10 January 2012 announced, in reference to the announcement made by NBPOL, a 50.68% owned subsidiary of Kulim, on 9 January 2012 in relation to the Notice of General Meeting for the Proposed Authority for a non pre-emptive issuance of up to five percent of the Company’s current issued share capital.

- ii. Announcement made by KFC Holdings (Malaysia) Bhd., a subsidiary of QSR Brands Berhad, a 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 (“the Property”) 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 (“the Land”) for a cash consideration of RM 6,150,000 from Sindora Berhad (“SB”).

SB has obtained the approval for the subdivision of the Land from Jawatankuasa Hasil Bumi, Johor on 4 May 2011 and is now pending the issuance of the separate document of title to the said Property under the name of SB. The Conditions Precedent will be fulfilled upon issuance of the separate document of title to the said Property.

- b) 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 RM 9,167,624.00 or RM 68.00 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 the Vendor.

- c) Reference is made to the announcement made by the Company in relation to the letter of offer by Massive Equity Sdn Bhd (“MESB”) dated 14 December 2011, wherein MESB stated its intention to acquire substantially all business and undertaking of QSR, including substantially all the assets and liabilities of QSR, at an aggregate cash consideration equivalent to:-

- a) RM6.80 per ordinary share of RM1.00 each held in QSR (“QSR Share”) multiplied by the total outstanding QSR Shares (less treasury shares, if any) at a date to be determined later; and



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

B7. Status of Uncompleted Corporate Announcement (continued)

- (b) RM3.79 per warrant of QSR (“QSR Warrant”) multiplied by the total outstanding number of QSR Warrants in issue at a date to be determined later.
(hereinafter referred to as the “QSR Offer”)

MESB had also on even date made an offer to acquire the entire business and undertaking of KFC Holdings (Malaysia) Bhd (“KFC”), including all of the assets and liabilities of KFC (“KFC Offer”). The KFC Offer and the QSR Offer are inter-conditional.

The Company has on 21 December 2011 announced that the Board (save for the Interested Directors under the QSR Offer) has considered, inter-alia, the views of the Main Adviser and the Independent Adviser and all other relevant aspects of the QSR Offer. Pursuant thereto, the Independent Directors of QSR have agreed to accept the QSR Offer subject to further negotiations and mutual agreement on terms and conditions to be incorporated into the definitive sale and purchase agreement (“SPA”).

The QSR Offer is in the midst of being implemented for Shareholders and Warrantheolders approval, with the full details to be announced in due course.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B8. Borrowings and Debt Securities**

	As at 31-Dec-11 RM'000	As at 31-Dec-10 RM'000
Term loan		
Secured:		
- denominated in RM	1,253,090	831,042
- denominated in USD	788,052	707,463
- denominated in Kina	107,909	104,758
Unsecured		
- denominated in RM	162,869	171,530
- denominated in USD	-	3,313
- denominated in Kina	34,957	30,623
- denominated in SDR	11,628	11,627
Less:		
- due within 12 months (reclassified to short term borrowings)	(231,985)	(929,336)
Total Term Loan	2,126,520	931,020
Other short term borrowings:		
Bank Overdraft		
- Secured	-	23,021
- Unsecured	2,911	9,900
Revolving credit	225,274	21,200
Banker's acceptance	34,000	9,413
Finance lease liabilities		
- Secured	59	2,043
- Unsecured	195	497
Total -Short term borrowings	262,439	66,074
Term loan (reclassified)	231,985	929,336
Total Borrowings	2,620,944	1,926,430

B9. Material Litigation, Claims and Arbitration

There were no material litigations, claims and arbitration outstanding.

B10. Dividend Proposed

There was no dividend payment proposed during the quarter.



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

B11. Earnings Per Share (“EPS”)

	CURRENT QUARTER		CUMULATIVE QUARTERS	
	1 OCT - 31 DEC	1 OCT - 31 DEC	1 JAN - 31 DEC	1 JAN - 31 DEC
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Net profit for the period	104,720	24,402	549,182	385,592
Weighted average no of share in issue	1,230,853	312,349	1,230,853	312,349
Basic earnings per share	8.51	7.81	44.62	123.45
Diluted earnings per share	8.51	7.81	44.62	123.45

B12. 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)	1.5595	1.4098	1.2601	1.2910
United Kingdom Pound Sterling (GBP)	4.9117	4.8423	4.7729	5.1175
United States of America Dollar (USD)	3.1779	3.1315	3.0851	3.2572
EUR	4.1154	4.1021	4.0887	4.5020
Singapore Dollar (S\$)	2.4471	2.4188	2.3905	2.4156
Solomon Islands Dollar (SBD)	0.4608	0.4402	0.3753	0.3762



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

B13. 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 31 Dec 2011 RM'000	As at 31 Dec 2010 RM'000
The retained earnings of the Group is made up as follows:-		
- Realised	3,241,883	2,425,958
- Unrealised	(995,437)	(636,451)
	<hr/>	<hr/>
	2,246,446	1,789,507
Add : Consolidation adjustments	174,224	183,343
	<hr/>	<hr/>
	2,420,670	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 : 29 February 2012