



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2012



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2012**

	3 months ended		12 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000 Restated	31.12.2012 RM'000	31.12.2011 RM'000 Restated
Revenue	205,836	251,251	906,819	1,042,171
Expenses excluding finance cost & tax	(153,451)	(155,025)	(650,931)	(726,352)
Depreciation and amortisation	(16,581)	(72,290)	(111,333)	(112,270)
Other operating income / (loss)	(1,350,093)	(9,291)	604,239	35,096
Profit from operations	(1,314,289)	14,645	748,794	238,645
Finance cost	(12,675)	(9,816)	(60,062)	(33,912)
Interest income	2,938	3,059	11,050	9,523
Share of profit in associates	9,226	330	63,717	497
Profit before taxation	(1,314,800)	8,218	763,499	214,753
Income tax expense	(1,389)	(25,105)	(33,287)	(72,617)
Profit from continuing operations	(1,316,189)	(16,887)	730,212	142,136
Discontinued operation				
Profit from discontinued operation, net of tax	45,941	231,717	281,055	865,730
Profit for the year	(1,270,248)	214,830	1,011,267	1,007,866
Profit attributable to:				
Owners of the company	(1,283,073)	120,551	846,072	565,013
Minority interest	12,825	94,279	165,195	442,853
Profit for the period	(1,270,248)	214,830	1,011,267	1,007,866
Basic earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
From continuing operations	(106.98)	2.82	51.70	7.69
From discontinued operations	3.63	6.97	16.45	38.21
Diluted earnings per ordinary share (sen):				
From continuing operations	(102.10)	2.82	49.35	7.69
From discontinued operations	3.46	6.97	15.70	38.21

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2011



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2012**

	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Profit for the period	(1,270,248)	214,830	1,011,267	1,007,866
Foreign currency translation differences for foreign operations	27,265	117,813	(141,954)	486,229
Transfer (from) / to:				
- reserve	1,972	(22,894)	1,972	(22,930)
- retained profits	-	22,894	-	22,930
Cash flow hedge	-	6,288	10	120,801
Available for sale reserve	(1,940)	30,215	(4,348)	(2,213)
Total comprehensive income for the period	(1,242,951)	369,146	866,947	1,612,683
Total comprehensive income attributable to:				
Owners of the company	(1,277,712)	220,437	777,657	871,728
Minority interest	34,761	148,709	89,290	740,955
Total comprehensive income for the period	(1,242,951)	369,146	866,947	1,612,683



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	AS AT END OF CURRENT QUARTER 31.12.2012 RM'000	AS AT PRECEDING FINANCIAL YEAR 31.12.2011 (AUDITED) RM'000
ASSETS		
Property, plant and equipment	3,134,630	7,667,603
Investment property	95,602	98,296
Investment in associates	1,868,694	24,334
Other investments	83,761	52,479
Intangible assets:	289,353	1,107,300
Goodwill (on consolidation)	25,853	288,100
Deferred farm expenditure (agriculture/non-perennial crop)	19,986	9,501
Other intangibles (if any)	243,514	809,699
Non-current assets	5,472,040	8,950,012
Assets classified as held for sale	3,161,276	13,032
Other investments	23,860	97,369
Inventories	82,387	934,732
Trade and other receivables	228,598	873,889
Tax recoverable	29,208	6,502
Cash and cash equivalents	222,336	644,702
Current assets	3,747,665	2,570,226
TOTAL ASSETS	9,219,705	11,520,238
EQUITY AND LIABILITIES		
Share capital	320,637	315,509
Share premium	204,820	116,013
Other reserves:	1,361,302	1,424,074
Revaluation and other reserves	1,308,151	1,406,315
Warrant reserve	98,980	113,945
Treasury shares	(45,829)	(96,186)
Revenue reserves	2,035,338	2,436,500
Equity Attributable to Equity Holders of the Company	3,922,097	4,292,096
Minority Interest	1,397,490	2,628,603
Total equity	5,319,587	6,920,699
Loans and borrowings	504,601	2,049,101
Employee benefits	-	2,700
Deferred tax liabilities	166,170	1,040,424
Non current liabilities	670,771	3,092,225
Trade and other payables	1,311,547	797,120
Derivative financial instruments	-	2,104
Current income tax liabilities	466	135,946
Loans and borrowings	621,767	571,843
Liabilities classified as held for sale	1,295,567	-
Employee benefits	-	301
Current liabilities	3,229,347	1,507,314
TOTAL LIABILITIES	3,900,118	4,599,539
TOTAL EQUITY AND LIABILITIES	9,219,705	11,520,238
NET ASSETS PER SHARE (RM)	3.08	3.40

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2011


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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012**

	← ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY →										
	NO. OF SHARES	NON-DISTRIBUTABLE					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	RETAINED EARNINGS RM'000				
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	-	-	-	-	-	242,191	-	242,191	244,038	486,229	
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	-	-	-	-	-	(54,361)	51,815	(2,546)	333	(2,213)	
Total other comprehensive income for the year	-	-	-	-	-	231,970	74,745	306,715	298,102	604,817	
Profit for the year	-	-	-	-	-	-	565,013	565,013	442,853	1,007,866	
Total comprehensive income for the year	-	-	-	-	-	231,970	639,758	871,728	740,955	1,612,683	
Share split (Every 1 share into 2 shares)	318,669,739	-	-	-	-	-	-	-	-	-	
Bonus issue (1 bonus share for every 1 share)	624,697,774	156,173	-	(156,173)	-	-	-	-	-	-	
Warrant issue	-	-	-	-	113,945	-	(113,945)	-	-	-	
Warrant exercised	-	-	-	2	-	-	-	2	-	2	
Acquisition of additional interest in subsidiaries	-	-	-	-	-	(32,597)	-	(32,597)	(54,232)	(86,829)	
Reversal of deferred tax	-	-	-	-	-	254	-	254	-	254	
Dividends to shareholders	-	-	-	-	-	-	(61,728)	(61,728)	-	(61,728)	
Dividend to minority interest of subsidiaries	-	-	-	-	-	-	-	-	(45,873)	(45,873)	
Shares buy back by subsidiaries	-	-	-	-	-	-	-	-	(4,653)	(4,653)	
Treasury shares acquired	-	-	(50,496)	-	-	-	-	(50,496)	-	(50,496)	
Increase in minority shareholders' interest	-	-	-	-	-	-	-	-	15,032	15,032	
Acquisition of new subsidiaries	-	-	-	-	-	-	(435)	(435)	-	(435)	
Balance as at 31 December 2011	1,262,037,252	315,509	(96,186)	116,013	113,945	1,406,315	2,436,500	4,292,096	2,628,603	6,920,699	
Balance as at 1 January 2012	1,262,037,256	315,509	(96,186)	116,013	113,945	1,406,315	2,436,500	4,292,096	2,628,603	6,920,699	
Foreign exchange translation differences	-	-	-	-	-	(67,095)	-	(67,095)	(74,859)	(141,954)	
Transfer from reserves to retained profit	-	-	-	-	-	1,972	-	1,972	-	1,972	
Cash flow hedges	-	-	-	-	-	5	-	5	-	10	
Fair value of available-for-sale financial assets	-	-	-	-	-	(3,297)	-	(3,297)	(1,051)	(4,348)	
Total other comprehensive income for the year	-	-	-	-	-	(68,415)	-	(68,415)	(75,905)	(144,320)	
Profit for the year	-	-	-	-	-	-	846,072	846,072	165,195	1,011,267	
Total comprehensive income for the year	-	-	-	-	-	(68,415)	846,072	777,657	89,290	866,947	
Increase in minority interest	-	-	-	-	-	-	-	-	(6,203)	(6,203)	
Warrant exercised	20,511,611	5,128	-	88,807	(14,965)	-	-	78,970	-	78,970	
Acquisition of additional interest in subsidiaries	-	-	-	-	-	(9,822)	-	(9,822)	(186)	(10,008)	
Impact of dilution	-	-	-	-	-	-	-	-	95,386	95,386	
Disposal of treasury shares	-	-	96,186	-	-	-	11,082	107,268	-	107,268	
Dividends to shareholders	-	-	-	-	-	-	(1,254,442)	(1,254,442)	-	(1,254,442)	
Dividend to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	(32,973)	(32,973)	
Shares buy back by subsidiaries	-	-	-	-	-	-	-	-	50,748	50,748	
Treasury shares acquired	(9,880,000)	-	(45,829)	-	-	-	-	(45,829)	-	(45,829)	
Decrease in non-controlling interest	-	-	-	-	-	(19,927)	-	(19,927)	(1,427,175)	(1,447,102)	
Arising from acquisition from non-controlling interest	-	-	-	-	-	-	(3,874)	(3,874)	-	(3,874)	
Balance as at 31 December 2012	1,272,668,867	320,637	(45,829)	204,820	98,980	1,308,151	2,035,338	3,922,097	1,397,490	5,319,587	


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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012		
	AS AT 31.12.2012	AS AT 31.12.2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- continued operations	690,828	214,754
- discontinued operations	385,021	1,150,042
	1,075,849	1,364,796
Non-cash item	(537,159)	337,590
Operating profit before changes in working capital	538,690	1,702,386
Changes in working capital:		
Inventories	852,345	(234,042)
Receivables	645,291	(267,252)
Payables	1,212,812	321,823
Cash generated from operations	3,249,138	1,522,915
Income tax paid	(222,768)	(82,091)
Net cash generated from operating activities	3,026,370	1,441,145
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	-	(16,681)
Dividends received	-	1,930
Interest received	11,155	12,591
Payment of:		
- deferred farm expenditure	(10,485)	(1,611)
Purchase of:		
- equity interest in:		
- subsidiaries	-	(104,648)
- associates	40,587	-
- other investments	(175,012)	(214,761)
- property, plant and equipment	(814,261)	(1,592,643)
- intangible assets	(16,588)	(8,431)
- investment properties	-	(8,150)
Proceeds from:		
- disposal of other investment:		
- non-current	253,574	454,889
- disposal of property, plant and equipment	10,645	4,023
- partial disposal of subsidiaries	-	185
Net cash (used in)/generated from investing activities	(700,385)	(1,473,307)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to:		
- shareholders of the Company	(1,254,442)	(178,858)
- minority shareholders of subsidiaries	(32,973)	(25,920)
Advance from holding company		
Proceeds from term loans	338,454	1,482,532
Repayment of term loans	(1,833,030)	(869,224)
Repayment of short-term borrowings	-	(100,091)
Proceeds from the issue of shares:		
- Warrants	93,935	107
Disposal of treasury shares (net of acquisition)	50,357	(75,092)
Issue of shares to minority shareholders of subsidiaries	(6,203)	38,365
(Addition) / Withdrawal of fixed deposits pledged	61,865	14
Interest paid	(71,649)	(91,475)
- discontinued	-	-
Net cash used in financing activities	(2,653,686)	180,358
Net (decrease in cash and cash equivalents	(327,701)	148,196
Effect of exchange reserve rate fluctuations on cash held	(8,294)	2,088
Cash and cash equivalents at 1 January	556,718	406,434
Cash and cash equivalents at 31 December	220,723	556,718
Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:		
Cash and bank balances	147,095	499,861
Deposits with licensed banks	75,241	144,841
	222,336	644,702
Less:		
Deposits pledged	-	(61,865)
Bank overdraft	(1,613)	(26,119)
	220,723	556,718



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 International Accounting Standards Board (IASB). The Interim Financial Report should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2011.

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 2011.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2011. 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 2011.

On 1 January 2012, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
FRS 124	Related Party Disclosures
Amendments to FRS 1	Severe Hyperinflation and removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets

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



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

At the date of authorization of these interim financial statements, the following FRSs, Amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 101: Presentation of items of other comprehensive income	1 July 2012
FRS 9: Financial instruments	1 January 2013
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of Interests in Other Entities	1 January 2013
FRS 13: Fair value Measurement	1 January 2013
FRS 119: Employee Benefits	1 January 2013
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associate and Joint Venture	1 January 2013
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

On 4th July 2012, MASB made an announcement of which Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these interim financial statements for the period ended 31 December 2012 could be different if prepared under the MFRS Framework.



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

The Company had on 25 April 2012 announced that with the acquisition of the remaining 20% holding in Kula Palm Oil Limited ("KPOL") by NBPOL and the issuance of 3,337,147 new ordinary shares allotted to The Independent Public Business Corporation of Papua New Guinea ("IPBC") as consideration of the acquisition.

Further to that, on 18 May 2012 NBPOL announced the acquisition of the remaining 18.7% in Poliamba Limited, from the New Ireland Development Corporation ("NIDC") and issued new shares as consideration of the acquisition, which ultimately reduced the interest holding of Kulim in NBPOL to 48.97%.

The Company recorded a gain on dilution of RM 37.6 million and at the same time the Company remeasured its remaining stake in NBPOL to fair value as required under FRS 128 accounting for associates. A gain of RM1.8 billion was recorded as the difference between the fair value and its carrying amount.

During the quarter, the results of NBPOL prior to its change of status in May 2012 (inclusive of the comparative figures) were reclassified as discontinued operation as required by FRS 5. The comparative have been amended accordingly.

A6. Change in Accounting Estimates

There were no changes in the accounting estimated 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 7.5 sen per share totaling approximately RM95.99 million on 5 November 2012 and the payments were made on the 16 November 2012.

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 2012	Plantation		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island (Up to Apr'12)		Shipping services	Other IV					
	RM'000	RM'000		RM'000	RM'000					
Operating revenue	200,283	-	-	10,902	4,635	2,182	-	12,560	(24,726)	205,836
Segment results	31,399	-	-	4,449	(489)	692	9,227	(1,347,727)	(2,614)	(1,305,063)
Interest income	2,135	-	-	-	-	-	-	803	-	2,938
Finance costs	(13,163)	-	-	(8,072)	(1,116)	-	-	7,425	2,251	(12,675)
Profit before tax	20,371	-	-	(3,623)	(1,605)	692	9,227	(1,339,499)	(363)	(1,314,800)

Results for 3 months Ended 31 December 2011	Plantation		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Shipping services	Other IV					
	RM'000	RM'000		RM'000	RM'000					
Operating revenue	202,558	579,975	923,115	46,334	40,106	1,984	-	7,622	(1,550,443)	251,251
Segment results	53,938	214,230	85,690	15,655	(7,312)	(7,080)	330	(35,161)	(305,315)	14,975
Interest income	2,067	198	984	-	(400)	-	-	526	(316)	3,059
Finance costs	(5,809)	(9,307)	(4,672)	(8,496)	(578)	-	-	1,264	17,782	(9,816)
Profit before tax	50,196	205,121	82,002	7,159	(8,290)	(7,080)	330	(33,371)	287,849	8,218



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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Results for 12 months Ended 31 December 2012	Plantation		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island (Up to Apr'12)		Shipping services	Other IV					
	RM'000	RM'000		RM'000	RM'000					
Operating revenue	712,195	763,804	-	184,907	170,024	8,644	-	15,396	(948,151)	906,819
Segment results	156,873	136,662	-	52,041	4,250	3,121	63,717	558,309	(162,462)	812,511
Interest income	8,716	105	-	-	-	-	-	2,334	(105)	11,050
Finance costs	(44,032)	(11,587)	-	(22,889)	(1,468)	-	-	(868)	20,782	(60,062)
Profit before tax	121,557	125,180	-	29,152	2,782	3,121	63,717	559,775	(141,785)	763,499

Results for 12 months Ended 31 December 2011	Plantation		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Elimination (Discontinued operation)	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Shipping services	Other IV					
	RM'000	RM'000		RM'000	RM'000					
Operating revenue	821,485	2,442,799	3,349,914	169,935	226,683	8,200	-	22,755	(5,999,600)	1,042,171
Segment results	236,603	893,217	282,916	37,469	5,475	(4,364)	497	(14,628)	(1,198,043)	239,142
Interest income	7,721	2,950	984	-	(1,019)	-	-	1,955	(3,068)	9,523
Finance costs	(22,071)	(33,307)	(13,972)	(20,467)	(1,536)	-	-	(122)	57,563	(33,912)
Profit before tax	222,253	862,860	269,928	17,002	2,920	(4,364)	497	(12,795)	(1,143,548)	214,753



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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

Assets and Liabilities As at 31 December 2012	Plantation		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Shipping services	Other IV				
	RM'000	RM'000		RM'000	RM'000				
Segment assets	3,755,297	-	2,838,175	424,207	104,234	95,602	1,868,694	49,735	9,135,944
Unallocated corporate assets	-	-	-	-	-	-	-	83,761	83,761
Total assets	3,755,297	-	2,838,175	424,207	104,234	95,602	1,868,694	133,496	9,219,705
Segment liabilities	1,801,056	-	1,070,408	294,244	114,080	-	-	454,160	3,733,948
Unallocated corporate liabilities	155,750	-	-	-	562	-	-	9,858	166,170
Total liabilities	1,956,806	-	1,070,408	294,244	114,642	-	-	464,018	3,900,118

Assets and Liabilities As at 31 December 2011	Plantation		Foods and Restaurants	Intrapreneur Ventures (IV)		Inv. property	Associated companies	Others	Consolidated
	Malaysia	Papua New Guinea & Solomon island		Shipping services	Other IV				
	RM'000	RM'000		RM'000	RM'000				
Segment assets	3,405,097	4,665,389	2,686,468	404,011	129,295	94,602	24,334	58,563	11,467,759
Unallocated corporate assets	-	-	-	-	-	-	-	52,479	52,479
Total assets	3,405,097	4,665,389	2,686,468	404,011	129,295	94,602	24,334	111,042	11,520,238
Segment liabilities	467,744	1,243,225	951,745	300,422	139,098	-	-	456,881	3,559,115
Unallocated corporate liabilities	167,376	781,605	82,515	-	-	-	-	8,928	1,040,424
Total liabilities	635,120	2,024,830	1,034,260	300,422	139,098	-	-	465,809	4,599,539



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

On 21 January 2013 the proposed offer by Massive Equity Sdn Bhd (“MESB”) for its intention to acquire substantially all business and undertaking of QSR and KFC including substantially all the assets and liabilities was completed. Subsequently both QSR and KFC were removed from the official listing of Bursa Malaysia on 7 February 2013.

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 Statement of Financial Position 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 2012 are as follows:

	RM'000
Contracted	92,799
Not contracted	285,286
	378,085

A15. Impairment of Assets

Based on FRS 136 requirement, an impairment test was made on NBPOL shares. Based on the value of GBP 5.05 indicated by London Stock Exchange as at 31 December 2012 the Group recorded an impairment loss of RM1.28 billion.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A16. Related Party Disclosures

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

	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM '000	RM '000	RM '000	RM '000
Group				
Ultimate holding corporation				
Johor Corporation				
- Agency fee received	55	84	223	334
- Sales of oil palm fresh fruit bunches	3,636	-	3,636	531
- Purchasing and sales commission received	488	513	1,950	2,335
- Planting advisory and agronomy fee received	29	43	118	173
- Computer charged received	26	24	119	97
- Inspection fee received	8	7	30	30
- Rental payable	193	158	662	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 revenue of RM906.8 million for the cumulative quarters under review compared to the corresponding period 2011 with revenue of RM1 billion, a decrease of 12.99%.

The Group continued operation recorded PBT of RM763.5 million for the cumulative quarters 2012 compared to PBT of RM214.8 million for the corresponding period 2011, a 255.52% increase.

Plantation Operation - Malaysia

The Group's FFB production for the current quarter 2012 is at 234,065mt compared to the corresponding period 2011 at 170,955mt, an increase of 36.92%.

The Group's cumulative FFB production for the cumulative quarters ending December 2012 is at 715,526mt. This is 12.37% higher compared to the FFB production for the corresponding period 2011.

The Group's OER for the cumulative quarters 2012 is marginally higher at 20.29% compared to 20.20% for the corresponding period 2011.

Total FFB processed by the Group mills for the cumulative quarters 2012 is at 1,021,691mt which is 11.14% higher compared to the corresponding period 2011. Total FFB processed is inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved average CPO price of RM2,923 and PK at RM1,599 per mt respectively for the cumulative quarters 2012 compared to RM3,193 and RM2,300 per mt for CPO and PK respectively for the corresponding period in 2011.

Foods and Restaurants:

As at 31 December 2012, QSR Groups of companies disposed of its foods and restaurants business. Following the reporting guidelines results for the year is shown under 'Discontinued operation'.



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)

Intrapreneur Ventures (IV)

The revenue from the IV businesses excluding shipping services recorded RM170 million for the cumulative quarters under review, a decrease of 25% as compared to the corresponding period in 2011. The businesses recorded lower performance with profit before tax of RM2.8 million for the cumulative quarters 2012 (2011: RM2.9 million)

The revenue of shipping business improved to RM185 million for the cumulative quarters under review, an increase of 8.81% compared to the corresponding period in 2011. The business recorded a profit before tax of RM29.2 million for the cumulative quarters 2012 (2011: RM17 million)

B2. Material Changes in the Quarterly Results

The Oil Palm sector recorded lower profits for the 4th quarter 2012 mainly due to lower palm product prices compared to the corresponding quarter last year. However the lower price has affected the oil palm plantations globally.

B3. Current Year Prospects

The prevailing downward trends in palm products prices are deemed temporary and are anticipated to recover, albeit at lower level than the realized average price for the year ended.

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

On the basis of the above factors, the outlook for the new financial year 2013 is expected to remain favorable.



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	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Current Taxation				
- Malaysia	(16,825)	(25,089)	(29,564)	(67,541)
- Overseas	1,022	4,534	(17,516)	-
	(15,803)	(20,555)	(47,080)	(67,541)
Transfer to deferred taxation				
- Malaysia	14,414	(4,550)	13,793	(5,076)
- Overseas	-	-	-	-
	14,414	(4,550)	13,793	(5,076)
Total	(1,389)	(25,105)	(33,287)	(72,617)

Effective tax rate is lower than official tax rates applicable to the Group Companies due to the exclusion of unrealised fair value gain on deemed disposal of NBPOL.

B6. Other operating income / (expenses)

	3 months ended		12 months ended	
	31.12.2012 2012 RM'000	31.12.2011 2011 RM'000	31.12.2012 2012 RM'000	31.12.2011 2011 RM'000
Gain / (Loss) on disposal of shares	(12,157)	3,761	817	16,477
Fair value changes on FVTPL instrument	1,827	17,088	4,885	17,088
Impairment of associates	(1,275,900)	-	(1,275,900)	-
Gain on deemed disposal of subsidiary	-	-	37,614	-
Gain on revaluing of associate	(52,423)	-	1,858,220	-
Change in fair value of inv. Properties	717	-	717	-
Miscellaneous income / (expenses)	(12,157)	(30,140)	(22,114)	1,531
Total other operating income / (losses)	(1,350,093)	(9,291)	604,239	35,096



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) On 16 August 2011, the Company announced on the 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 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. Payment was made on 31 May 2012.

- (ii) 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; Payment was made on 7 February 2013.

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

	Audited	
	As at 31 Dec 2012 RM'000	As at 31 Dec 2011 RM'000
Non-current		
Secured:		
Obligations under finance leases	-	1,872
Term loans	474,117	1,627,283
	474,117	1,629,155
Unsecured:		
Obligations under finance leases	484	362
Term loans	30,000	419,584
	30,484	419,946
Non-current loans and borrowings	504,601	2,049,101
Current		
Secured:		
Obligations under finance leases	265	2,614
Bank overdrafts	-	17,080
Revolving credit	-	30,000
Term loans	168,467	135,522
	168,732	185,216
Unsecured:		
Obligations under finance leases	277	150
Bank overdrafts	1,613	9,039
Bankers' acceptances	-	35,431
Revolving credit	449,727	163,747
Term loans	1,418	178,260
	453,035	386,627
Current loans and borrowings	621,767	571,843
Total loans and borrowings	1,126,368	2,620,944



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

B9. Derivatives

There were no outstanding derivatives as at the end of the quarter.

B10. Material Litigation, Claims and Arbitration

There were no material litigations, claims and arbitration outstanding.

B11. Dividend Proposed

On 27 December 2012, the Board declared a single tier special dividend of 90.94 sen per share totaling approximately RM 1.1 billion. The payments were affected on the 25 January 2013.

B12. Earnings Per Share (“EPS”)

	3 months ended		12 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Basic earnings per share				
Net profit for the period	(1,283,073)	120,551	846,072	565,013
Weighted average no of share in issue	1,241,472	1,230,853	1,241,472	1,230,853
Basic earnings per share	(103.35)	9.79	68.15	45.90
Diluted earnings per share	(98.64)	9.79	65.05	45.90

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)	1.5558	1.5576	1.5595	1.4098
United Kingdom Pound Sterling (GBP)	5.0311	4.9714	4.9117	4.8423
United States of America Dollar (USD)	3.1117	3.1448	3.1779	3.1315
EUR	4.1130	4.1142	4.1154	4.1021
Singapore Dollar (SGD)	2.5432	2.4951	2.4471	2.4188
Solomon Islands Dollar (SBD)	0.4611	0.4609	0.4608	0.4402



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 31 Dec 2012 RM'000	As at 31 Dec 2011 RM'000
The retained earnings of the Group is made up as follows:-		
- Realised	3,078,984	4,252,567
- Unrealised	(661,269)	(681,525)
	<u>2,417,715</u>	<u>3,571,042</u>
Add : Consolidation adjustments	(382,377)	(1,134,542)
	<u>2,035,338</u>	<u>2,436,500</u>

By Order of the Board
KULIM (MALAYSIA) BERHAD

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

Dated : 27 February 2013