



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER TO 31 MARCH 2013



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER TO 31 MARCH 2013**

| | 3 months ended | | 3 months ended | |
|--|----------------------|----------------------------------|----------------------|----------------------------------|
| | 31.03.2013 RM'000 | 31.03.2012 RM'000 Restated | 31.03.2013 RM'000 | 31.03.2012 RM'000 Restated |
| Revenue | 258,862 | 208,894 | 258,862 | 208,894 |
| Expenses excluding finance cost & tax | (199,866) | (162,561) | (199,866) | (162,561) |
| Depreciation and amortisation | (27,635) | (15,132) | (27,635) | (15,132) |
| Other operating income / (loss) | (2,015) | (4,200) | (2,015) | (4,200) |
| Profit from operations | 29,346 | 27,001 | 29,346 | 27,001 |
| Finance cost | (11,865) | (12,291) | (11,865) | (12,291) |
| Interest income | 445 | 857 | 445 | 857 |
| Share of profit in associates | 7,215 | - | 7,215 | - |
| Profit before taxation | 25,141 | 15,567 | 25,141 | 15,567 |
| Income tax expense | (6,109) | (365) | (6,109) | (365) |
| Profit from continuing operations | 19,032 | 15,202 | 19,032 | 15,202 |
| Discontinued operation | | | | |
| Profit from discontinued operation, net of tax | 339,146 | 128,374 | 339,146 | 128,374 |
| Profit for the year | 358,178 | 143,576 | 358,178 | 143,576 |
| Profit attributable to: | | | | |
| Owners of the company | 345,531 | 68,705 | 345,531 | 68,705 |
| Minority interest | 12,647 | 74,871 | 12,647 | 74,871 |
| Profit for the period | 358,178 | 143,576 | 358,178 | 143,576 |
| Basic earnings per ordinary share (sen): | Sen | Sen | Sen | Sen |
| From continuing operations | 0.22 | 0.99 | 0.22 | 0.99 |
| From discontinued operations | 27.24 | 4.63 | 27.24 | 4.63 |
| Diluted earnings per ordinary share (sen): | | | | |
| From continuing operations | 0.17 | 0.99 | 0.17 | 0.99 |
| From discontinued operations | 27.05 | 4.63 | 27.05 | 4.63 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2012

**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ending 31 December 2013

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER TO 31 MARCH 2013**

| | 3 months ended | | 3 months ended | |
|--|-----------------------|----------------|-----------------------|----------------|
| | 31.03.2013 | 31.03.2012 | 31.03.2013 | 31.03.2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | | Restated | | Restated |
| Profit for the period | 358,178 | 143,576 | 358,178 | 143,576 |
| Foreign currency translation differences for foreign operations | 300 | 5,913 | 300 | 5,913 |
| Transfer (from) / to: | | | | |
| - reserve | 254 | - | 254 | - |
| Cash flow hedge | - | 3 | - | 3 |
| Available for sale reserve | (27) | 5,543 | (27) | 5,543 |
| Total comprehensive income for the period | 358,705 | 155,035 | 358,705 | 155,035 |
| Total comprehensive income attributable to: | | | | |
| Owners of the company | 345,824 | 75,329 | 345,824 | 75,329 |
| Minority interest | 12,881 | 79,706 | 12,881 | 79,706 |
| Total comprehensive income for the period | 358,705 | 155,035 | 358,705 | 155,035 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2012



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

| | AS AT END OF CURRENT QUARTER 31.03.2013 | AS AT PRECEDING FINANCIAL YEAR 31.12.2012 (AUDITED) |
|--|---|--|
| | RM'000 | RM'000 |
| ASSETS | | |
| Property, plant and equipment | 3,217,722 | 3,149,132 |
| Investment property | 96,363 | 95,602 |
| Investment in associates | 1,873,354 | 1,868,694 |
| Other investments | 85,380 | 83,761 |
| Intangible assets: | 36,143 | 27,778 |
| Goodwill (on consolidation) | 25,853 | 17,178 |
| Other intangibles (if any) | 10,290 | 10,600 |
| Non-current assets | 5,308,962 | 5,224,967 |
| Assets classified as held for sale | 309,231 | 3,408,193 |
| Other investments | 42,121 | 23,860 |
| Inventories | 64,719 | 82,387 |
| Trade and other receivables | 276,616 | 228,598 |
| Tax recoverable | 38,289 | 28,858 |
| Cash and cash equivalents | 119,705 | 222,336 |
| Current assets | 850,681 | 3,994,232 |
| TOTAL ASSETS | 6,159,643 | 9,219,199 |
| EQUITY AND LIABILITIES | | |
| Share capital | 321,432 | 320,637 |
| Share premium | 217,465 | 204,820 |
| Other reserves: | 1,379,739 | 1,371,125 |
| Revaluation and other reserves | 1,348,785 | 1,317,975 |
| Warrant reserve | 96,658 | 98,979 |
| Treasury shares | (65,704) | (45,829) |
| Revenue reserves | 2,384,057 | 2,038,526 |
| Equity Attributable to Equity Holders of the Company | 4,302,693 | 3,935,108 |
| Minority Interest | 172,083 | 1,384,487 |
| Total equity | 4,474,776 | 5,319,595 |
| Loans and borrowings | 489,507 | 470,722 |
| Deferred tax liabilities | 166,656 | 166,170 |
| Non current liabilities | 656,163 | 636,892 |
| Trade and other payables | 182,744 | 1,311,539 |
| Current income tax liabilities | 3,097 | 466 |
| Loans and borrowings | 635,471 | 655,647 |
| Liabilities classified as held for sale | 207,392 | 1,295,060 |
| Current liabilities | 1,028,704 | 3,262,712 |
| TOTAL LIABILITIES | 1,684,867 | 3,899,604 |
| TOTAL EQUITY AND LIABILITIES | 6,159,643 | 9,219,199 |
| NET ASSETS PER SHARE (RM) | 3.39 | 3.12 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2012



KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2013

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

| | ←----- 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 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 | - | - | - | - | - | 3,286 | - | 3,286 | 2,627 | 5,913 | |
| Cash flow hedges | - | - | - | - | - | 2 | - | 2 | 1 | 3 | |
| Fair value of available-for-sale financial assets | - | - | - | - | - | 3,336 | - | 3,336 | 2,207 | 5,543 | |
| Total other comprehensive income for the year | - | - | - | - | - | 6,624 | - | 6,624 | 4,835 | 11,459 | |
| Profit for the year | - | - | - | - | - | - | 68,705 | 68,705 | 74,871 | 143,576 | |
| Total comprehensive income for the year | - | - | - | - | - | 6,624 | 68,705 | 75,329 | 79,706 | 155,035 | |
| Warrant exercised | 470 | - | - | 2 | - | - | - | 2 | - | 2 | |
| Acquisition of additional interest in subsidiaries | - | - | - | - | - | (199) | - | (199) | - | (199) | |
| Arising from acquisition from minority interest | - | - | - | - | - | - | (3,874) | (3,874) | - | (3,874) | |
| Balance as at 31 March 2012 | 1,262,037,726 | 315,509 | (96,186) | 116,015 | 113,945 | 1,412,740 | 2,501,331 | 4,363,354 | 2,708,309 | 7,071,663 | |
| Balance as at 1 January 2013 | 1,282,548,863 | 320,637 | (45,829) | 204,820 | 98,979 | 1,317,975 | 2,038,526 | 3,935,108 | 1,384,487 | 5,319,595 | |
| Foreign exchange translation differences | - | - | - | - | - | 66 | - | 66 | 234 | 300 | |
| Transfer from reserves to retained profit | - | - | - | - | - | 254 | - | 254 | - | 254 | |
| Fair value of available-for-sale financial assets | - | - | - | - | - | (27) | - | (27) | - | (27) | |
| Total other comprehensive income for the year | - | - | - | - | - | 293 | - | 293 | 234 | 527 | |
| Profit for the year | - | - | - | - | - | - | 345,531 | 345,531 | 12,647 | 358,178 | |
| Total comprehensive income for the year | - | - | - | - | - | 293 | 345,531 | 345,824 | 12,881 | 358,705 | |
| Warrant exercised | 3,181,503 | 795 | - | 12,645 | (2,321) | - | - | 11,119 | - | 11,119 | |
| Effect on reserves arising from disposal of subsidiaries | - | - | - | - | - | 30,517 | - | 30,517 | (1,225,285) | (1,194,768) | |
| Disposal of treasury shares | - | - | 2,095 | - | - | - | - | 2,095 | - | 2,095 | |
| Treasury shares acquired | (14,962,000) | - | (21,970) | - | - | - | - | (21,970) | - | (21,970) | |
| Balance as at 31 March 2013 | 1,270,768,366 | 321,432 | (65,704) | 217,465 | 96,658 | 1,348,785 | 2,384,057 | 4,302,693 | 172,083 | 4,474,776 | |



KULIM (MALAYSIA) BERHAD

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Interim report for the financial year ending 31 December 2013

| CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 31 MARCH 2013 | | |
|--|-----------------------------|-----------------------------|
| | AS AT 31.03.2013 | AS AT 31.03.2012 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 25,141 | 15,567 |
| Adjustments for : | | |
| Non-cash item | 585,643 | 124,205 |
| Operating profit before changes in working capital | 610,784 | 139,772 |
| Changes in working capital: | | |
| Inventories | 17,668 | 6,473 |
| Receivables | (48,018) | 20,379 |
| Payables | (340,301) | 132,230 |
| Cash generated from operations | 240,133 | 298,854 |
| Income tax paid | (12,910) | (45,761) |
| Net cash generated from operating activities | 227,223 | 253,093 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 445 | 955 |
| Payment of: | | |
| - deferred farm expenditure | - | (188) |
| Purchase of: | | |
| - equity interest in: | | |
| - associates | 2,555 | (646) |
| - other investments | (175,012) | (66,195) |
| - property, plant and equipment | (115,886) | (190,631) |
| - intangible assets | (22,568) | - |
| Proceeds from: | | |
| - disposal of other investment: | | |
| - non-current | 44,954 | 40,787 |
| - disposal of property, plant and equipment | (350) | 3,171 |
| - disposal of subsidiaries | 1,112,499 | - |
| Net cash (used in)/generated from investing activities | 846,638 | (212,747) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid to: | | |
| - shareholders of the Company | (1,158,450) | - |
| Proceeds from term loans | 338,454 | 205,125 |
| Repayment of term loans | (339,845) | (290,695) |
| Proceeds from the issue of shares: | | |
| - Warrants | 13,441 | 2 |
| Disposal of treasury shares (net of acquisition) | (19,874) | (1) |
| (Addition) / Withdrawal of fixed deposits pledged | 12,760 | 40,285 |
| Interest paid | (11,865) | (27,023) |
| Net cash used in financing activities | (1,165,379) | (72,307) |
| Net (decrease in cash and cash equivalents) | (91,518) | (31,961) |
| Effect of exchange reserve rate fluctuations on cash held | 2,647 | (6,490) |
| Cash and cash equivalents at 1 January | 207,544 | 556,718 |
| Cash and cash equivalents at 31 March | 118,673 | 518,267 |

Cash and cash equivalents

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

| | | |
|------------------------------|---------|----------|
| Cash and bank balances | 62,747 | 474,152 |
| Deposits with licensed banks | 56,958 | 91,814 |
| | 119,705 | 565,966 |
| Less: | | |
| Deposits pledged | - | (44,150) |
| Bank overdraft | (1,033) | (3,549) |
| | 118,673 | 518,267 |



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 2012.

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 2012.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2012. 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 2012.

On 1 January 2013, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

| | |
|---|----------------|
| FRS 101 Presentation of items of Other Comprehensive Income (Amendments to FRS 101) | 1 July 2012 |
| Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012)) | 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 Ventures | 1 January 2013 |
| Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012)) | 1 January 2013 |
| IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine | 1 January 2013 |
| Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities | 1 January 2013 |
| Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans | 1 January 2013 |
| Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012)) | 1 January 2013 |
| Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012)) | 1 January 2013 |
| Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012)) | 1 January 2013 |



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

| | |
|---|----------------|
| Amendments to FRS134: Interim Financial Reporting (Improvements to FRSs (2012)) | 1 January 2013 |
| Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance | 1 January 2013 |
| Amendments to FRS 11: Joint Arrangements: Transition Guidance | 1 January 2013 |
| Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance | 1 January 2013 |

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.

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 132: Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities | 1 January 2014 |
| FRS 9 Financial Instruments | 1 January 2015 |

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.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

Malaysian Financial Reporting Standards (MFRS Framework) (continued)

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.

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

On 21 January 2013, the takeover by Massive Equity Sdn Bhd ("MESB") of all the business and undertaking of QSR and KFC including substantially all the assets and liabilities was completed. The Group recorded a gain of disposal RM331 million.

During the quarter, the results of QSR were reclassified as discontinued operation as required by FRS 5. The comparative have been amended accordingly.

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 final acquisition and thus, successfully closed the agreement, was made on the 7 February 2013 of which a sum of RM71,783,000 was paid for the acquisition of the plantation assets known as 'Part of Pasir Panjang Estate'.

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.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

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

On 27 December 2012, the Board declared a single tier special dividend of 90.94 sen per share totaling approximately RM 1.16 billion. The payments were affected on 25 January 2013.

A9. Segmental Information

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



KULIM (MALAYSIA) BERHAD

Company No. 23370-V

Interim report for the financial year ending 31 December 2013

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

| Results for 1st Quarter Ended 31 March 2013 | 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 | 195,994 | - | - | 55,581 | 32,940 | 2,255 | - | 3,328 | (31,236) | 258,862 |
| Segment results | 37,262 | - | - | 16,023 | 4,899 | 1,057 | 7,215 | (20,216) | (9,679) | 36,561 |
| Interest income | 217 | - | - | - | - | - | - | 228 | - | 445 |
| Finance costs | (7,911) | - | - | (6,004) | (158) | - | - | (149) | 2,357 | (11,865) |
| Profit before tax | 29,568 | - | - | 10,019 | 4,741 | 1,057 | 7,215 | (20,137) | (7,322) | 25,141 |

| Results for 1st Quarter Ended 31 March 2012 | 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 | 160,891 | 537,145 | 857,395 | 49,426 | 50,905 | 2,137 | - | 5,062 | (1,454,067) | 208,894 |
| Segment results | 33,351 | 114,638 | 63,130 | 14,831 | 441 | 679 | 1,621 | (13,308) | (188,382) | 27,001 |
| Interest income | 207 | 98 | - | - | - | - | - | 650 | (98) | 857 |
| Finance costs | (8,631) | (8,136) | (4,391) | (5,381) | (278) | - | - | (206) | 14,732 | (12,291) |
| Profit before tax | 24,927 | 106,600 | 58,739 | 9,450 | 163 | 679 | 1,621 | (12,864) | (173,748) | 15,567 |



KULIM (MALAYSIA) BERHAD

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Interim report for the financial year ending 31 December 2013

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Segmental Information (continued)

| Assets and Liabilities As at 31 March 2013 | 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 | 3,560,534 | - | - | 424,421 | 66,508 | 95,602 | 1,873,354 | 53,844 | 6,074,263 |
| Unallocated corporate assets | - | - | - | - | - | - | - | 85,380 | 85,380 |
| Total assets | 3,560,534 | - | - | 424,421 | 66,508 | 95,602 | 1,873,354 | 139,224 | 6,159,643 |
| Segment liabilities | 681,948 | - | - | 284,533 | 85,493 | - | - | 466,237 | 1,518,211 |
| Unallocated corporate liabilities | 156,753 | - | - | - | 257 | - | - | 9,646 | 166,656 |
| Total liabilities | 838,701 | - | - | 284,533 | 85,750 | - | - | 475,883 | 1,684,867 |

| 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 | 3,521,932 | - | 3,071,034 | 499,153 | 29,288 | 95,602 | 1,868,694 | 49,735 | 9,135,438 |
| Unallocated corporate assets | - | - | - | - | - | - | - | 83,761 | 83,761 |
| Total assets | 3,521,932 | - | 3,071,034 | 499,153 | 29,288 | 95,602 | 1,868,694 | 133,496 | 9,219,199 |
| Segment liabilities | 1,832,534 | - | 1,070,408 | 294,244 | 82,593 | - | - | 453,655 | 3,733,434 |
| Unallocated corporate liabilities | 155,751 | - | - | - | 562 | - | - | 9,857 | 166,170 |
| Total liabilities | 1,988,285 | - | 1,070,408 | 294,244 | 83,155 | - | - | 463,512 | 3,899,604 |



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 23 April 2013, Sindora Berhad (“Sindora”), a wholly owned subsidiary of Kulim, and E.A Technique (M) Sdn Bhd (“EA Tech”), a 51% owned subsidiary of Sindora, completed the disposal of their interest in Orkim Sdn Bhd (“Orkim”). The disposal however, is not expected to have a significant impact on the Group results.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter other than as disclosed in note A5.

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 March 2013 are as follows:

| | RM'000 |
|----------------|--------------|
| Contracted | 1,837 |
| Not contracted | 7,595 |
| | 9,432 |

A15. Impairment of Assets

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

**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 | | 3 months ended | |
|---|----------------|------------|----------------|------------|
| | 31.03.2013 | 31.03.2012 | 31.03.2013 | 31.03.2012 |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Group | | | | |
| Ultimate holding corporation | | | | |
| Johor Corporation | | | | |
| - Agency fee received | 56 | 56 | 56 | 56 |
| - Sales of oil palm fresh fruit bunches | 4,532 | - | 4,532 | - |
| - Purchasing and sales commission received | 505 | 421 | 505 | 421 |
| - Planting advisory and agronomy fee received | 30 | 30 | 30 | 30 |
| - Computer charged received | 33 | 25 | 33 | 25 |
| - Inspection fee received | 8 | 8 | 8 | 8 |
| - Rental payable | 105 | 176 | 105 | 176 |



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 RM258.9 million for the quarter under review compared to the corresponding period 2012 with revenue of RM208.9 million, an increase of 23.92%.

The Group recorded a PBT of RM25.1 million for the first quarter 2013 compared to PBT of RM15.6 million for the corresponding period in 2012, a growth of 61.51%.

Plantation Operation - Malaysia

The Group's FFB production for the 1st quarter 2013 is at 159,059mt compared to the corresponding quarter 2012 at 120,895mt, an increase of 31.57%.

The Group's OER for the 1st quarter 2013 is marginally lower at 20.37% compared to 20.41% for the corresponding period 2012.

Total FFB processed by the Group mills for the 1st quarter 2013 is at 253,0911mt which is 51.06% higher compared to the corresponding period 2012. Total FFB processed is inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved average CPO price of RM2,475 and PK at RM1,184 per mt respectively for the cumulative quarters 2013 compared to RM3,099 and RM1,840 per mt for CPO and PK respectively for the corresponding period in 2012.

Foods and Restaurants:

The sale of substantially all the business and undertaking including substantially all of the assets and liabilities by QSR and KFCH Group to Triple Platform Sdn Bhd, now known as QSR Brands Holdings (M) Sdn Bhd, was completed in January 2013.

Onwards this business section will ceased to be reported except for comparative purposes.

Intrapreneur Ventures (IV)

The revenue from the IV businesses excluding shipping services was RM32.9 million for the 1st quarter 2013, a decrease of 35.29% as compared to the corresponding period in 2012. However, profit before tax was recorded higher at RM4.7 million in the 1st quarter of 2013 against RM0.163 million in the same quarter 2012.

The revenue of shipping business increase to RM55.6 million for the 1st quarter under review, an increase of 12.45% compared to the corresponding period in 2012. The business recorded a profit before tax of RM10 million for the 1st quarter 2013 (2012: RM9.4 million)



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

B2. Material Changes in the Quarterly Results

The Oil Palm sector recorded lower profits for the 1st quarter 2013 mainly due to lower palm product prices compared to the corresponding quarter last year.

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 2012.

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

B4. Profit Forecast/Profit Guarantee

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

B5. Taxation

| | 3 months ended | | 3 months ended | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2013 RM'000 | 31.03.2012 RM'000 | 31.03.2013 RM'000 | 31.03.2012 RM'000 |
| Current Taxation | | | | |
| - Malaysia | (3,416) | (4,671) | (3,416) | (4,671) |
| - Overseas | (1,797) | - | (1,797) | - |
| | (5,213) | (4,671) | (5,213) | (4,671) |
| Transfer to deferred taxation | | | | |
| - Malaysia | (896) | 4,306 | (896) | 4,306 |
| - Overseas | - | - | - | - |
| | (896) | 4,306 | (896) | 4,306 |
| Total | (6,109) | (365) | (6,109) | (365) |

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

B6. Other operating income / (expenses)

| | 3 months ended | | 3 months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2013 RM'000 | 31.03.2012 RM'000 | 31.03.2013 RM'000 | 31.03.2012 RM'000 |
| Rental income | 840 | 1,008 | 840 | 1,008 |
| Miscellaneous income / (expenses) | (2,854) | (5,208) | (2,854) | (5,208) |
| Total other operating income / (losses) | (2,014) | (4,200) | (2,014) | (4,200) |

**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**

None during the quarter.

B8. Borrowings and Debt Securities

| | Audited | |
|---|---|---|
| | As at 31 Mar 2013 RM'000 | As at 31 Dec 2012 RM'000 |
| Non-current | | |
| Secured: | | |
| Obligations under finance leases | 201 | - |
| Term loans | 458,995 | 196,892 |
| | 459,196 | 196,892 |
| Unsecured: | | |
| Obligations under finance leases | 311 | 484 |
| Term loans | 30,000 | 273,346 |
| | 30,311 | 273,830 |
| Non-current loans and borrowings | 489,507 | 470,722 |
| Current | | |
| Secured: | | |
| Obligations under finance leases | 198 | 265 |
| Revolving credit | - | 30,000 |
| Term loans | 172,260 | 41,066 |
| | 172,459 | 71,331 |
| Unsecured: | | |
| Obligations under finance leases | 470 | 277 |
| Bank overdrafts | 1,033 | 2,032 |
| Bankers' acceptances | - | 1,280 |
| Revolving credit | 461,510 | 579,727 |
| Term loans | - | 1,000 |
| | 463,013 | 584,316 |
| Current loans and borrowings | 635,471 | 655,647 |
| Total loans and borrowings | 1,124,978 | 1,126,369 |



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

There was no dividend payment proposed during the quarter.

B12. Earnings Per Share (“EPS”)

| | 3 months ended | | 3 months ended | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2013 RM'000 | 31.03.2012 RM'000 | 31.03.2013 RM'000 | 31.03.2012 RM'000 |
| Basic earnings per share | | | | |
| Net profit for the period | 345,531 | 68,705 | 345,531 | 68,705 |
| Weighted average no of share in issue | 1,258,242 | 1,221,913 | 1,258,242 | 1,221,913 |
| Basic earnings per share | 27.46 | 5.62 | 27.46 | 5.62 |
| Diluted earnings per share | 27.22 | 5.62 | 27.22 | 5.62 |

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) | 1.4825 | 1.4965 | 1.5085 | 1.5340 |
| United Kingdom Pound Sterling (GBP) | 4.6905 | 4.8343 | 4.8970 | 4.9044 |
| United States of America Dollar (USD) | 3.0900 | 3.0680 | 3.0685 | 3.1232 |
| EUR | 3.9595 | 3.9598 | 4.0860 | 4.1007 |
| Singapore Dollar (SGD) | 2.4893 | 2.4950 | 2.4393 | 2.4432 |
| Solomon Islands Dollar (SBD) | 0.4140 | 0.4197 | 0.4133 | 0.4139 |



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 Mar 2013 RM'000 | As at 31 Dec 2012 RM'000 |
|--|--------------------------------|--------------------------------|
| The retained earnings of the Group is made up as follows:- | | |
| - Realised | 2,476,312 | 3,245,179 |
| - Unrealised | (1,178,758) | (792,250) |
| | <hr/> | <hr/> |
| | 1,297,554 | 2,452,929 |
| Add : Consolidation adjustments | 1,086,498 | (414,403) |
| | <hr/> | <hr/> |
| | 2,384,052 | 2,038,526 |

By Order of the Board
KULIM (MALAYSIA) BERHAD

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

Dated : 22 May 2013