



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND SIX MONTH ENDED 30 JUNE 2013



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER TO 30 JUNE 2013**

	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000 As restated	30.06.2013 RM'000	30.06.2012 RM'000 As restated
Revenue	792,291	856,296	1,507,109	1,602,567
Expenses excluding finance cost & tax	(655,348)	(738,039)	(1,244,402)	(1,321,994)
Depreciation and amortisation	(67,447)	(37,541)	(148,197)	(95,366)
Other operating income / (loss)	(19,224)	98,028	(12,211)	135,150
Profit from operations	50,272	178,744	102,299	320,357
Finance cost	(19,485)	(24,279)	(39,366)	(44,706)
Interest income	2,534	854	2,979	1,809
Share of profit in associates	135	40	166	40
Profit before taxation	33,456	155,359	66,078	277,500
Income tax expense	(27,953)	(18,722)	(35,974)	(45,737)
Profit from continuing operations	5,503	136,637	30,104	231,763
Discontinued operation				
Profit from discontinued operation, net of tax	86,489	42,820	425,795	91,270
Profit for the year	91,992	179,457	455,899	323,033
Profit attributable to:				
Owners of the company	66,113	110,360	411,262	179,065
Minority interest	25,879	69,097	44,637	143,968
Profit for the period	91,992	179,457	455,899	323,033
Basic earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
From continuing operations	1.60	8.15	2.39	22.98
From discontinued operations	3.64	0.88	30.19	1.79
Diluted earnings per ordinary share (sen):				
From continuing operations	1.57	8.15	2.35	22.98
From discontinued operations	3.57	0.88	29.65	1.79

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER TO 30 JUNE 2013**

	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000 As restated	30.06.2013 RM'000	30.06.2012 RM'000 As restated
Profit for the period	91,992	179,457	455,899	323,033
Foreign currency translation differences for foreign operations	(134,687)	(146,950)	(230,178)	(141,037)
Transfer (from) / to:				
- reserve	-	-	254	-
Cash flow hedge	3,963	(68)	3,660	(65)
Available for sale reserve	1,311	2,394	1,284	7,937
Total comprehensive income for the period	(37,421)	34,833	230,919	189,868
Total comprehensive income attributable to:				
Owners of the company	49,845	96,545	349,261	171,877
Minority interest	(87,266)	(61,712)	(118,342)	17,991
Total comprehensive income for the period	(37,421)	34,833	230,919	189,868

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 30 JUNE 2013**

	AS AT END OF CURRENT QUARTER 30.06.2013	AS AT FINANCIAL YEAR 31.12.2012 (AUDITED)	AS AT FINANCIAL YEAR 01.01.2013
	RM'000	RM'000	RM'000
ASSETS			
Property, plant and equipment	6,515,864	3,149,132	6,594,275
Investment property	96,363	95,602	95,602
Investment in associates	1,925	1,868,694	1,718
Other investments	68,938	83,761	83,761
Intangible assets:	195,133	27,778	233,382
Goodwill (on consolidation)	185,590	17,178	202,741
Other intangibles (if any)	9,543	10,600	30,641
Non-current assets	6,878,223	5,224,967	7,008,738
Assets classified as held for sale	12,177	3,408,193	3,399,462
Other investments	4,597	23,860	23,860
Inventories	654,183	82,387	720,593
Trade and other receivables	650,785	228,598	623,507
Derivative financial instruments	22,562	-	24,128
Tax recoverable	56,562	28,858	28,858
Cash and cash equivalents	424,282	222,336	280,889
Current assets	1,825,148	3,994,232	5,101,297
TOTAL ASSETS	8,703,371	9,219,199	12,110,035
EQUITY AND LIABILITIES			
Share capital	322,634	320,637	320,638
Share premium	234,793	204,820	204,819
Other reserves:	1,324,129	1,371,125	1,382,649
Revaluation and other reserves	1,298,036	1,317,975	1,329,499
Warrant reserve	93,155	98,979	98,979
Treasury shares	(67,062)	(45,829)	(45,829)
Revenue reserves	1,920,833	2,038,526	1,509,571
Equity Attributable to Equity Holders of the Company	3,802,389	3,935,108	3,417,677
Minority Interest	1,438,344	1,384,487	2,781,971
Total equity	5,240,733	5,319,595	6,199,648
Loans and borrowings	1,076,782	470,722	1,166,503
Deferred tax liabilities	936,123	166,170	976,376
Non current liabilities	2,012,905	636,892	2,142,879
Trade and other payables	332,936	1,311,539	1,474,058
Current income tax liabilities	34,663	466	21,868
Loans and borrowings	1,077,187	655,647	976,523
Liabilities classified as held for sale	4,947	1,295,060	1,295,059
Current liabilities	1,449,733	3,262,712	3,767,508
TOTAL LIABILITIES	3,462,638	3,899,604	5,910,387
TOTAL EQUITY AND LIABILITIES	8,703,371	9,219,199	12,110,035
NET ASSETS PER SHARE (RM)	2.98	3.09	2.69



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 SECOND QUARTER ENDED 30 JUNE 2013**

	←—— ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY ——→										
	NO. OF SHARES	←—— NON-DISTRIBUTABLE ——→					→DISTRIBUTABLE			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	TOTAL 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	-	-	-	-	-	(11,833)	-	(11,833)	(129,204)	(141,037)	
Cash flow hedges	-	-	-	-	-	(33)	-	(33)	(32)	(65)	
Fair value of available-for-sale financial assets	-	-	-	-	-	4,678	-	4,678	3,259	7,937	
Total other comprehensive income for the year	-	-	-	-	-	(7,188)	-	(7,188)	(125,977)	(133,165)	
Profit for the year	-	-	-	-	-	-	179,065	179,065	143,968	323,033	
Total comprehensive income for the year	-	-	-	-	-	(7,188)	179,065	171,877	17,991	189,868	
Warrant exercised	18,359	5	-	79	(13)	-	-	71	-	71	
Acquisition of additional interest in subsidiaries	-	-	-	-	-	(222)	-	(222)	(186)	(408)	
Impact of dilution	-	-	-	-	-	-	-	-	144,939	144,939	
Dividend to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	(34,975)	(34,975)	
Arising from acquisition from minority interest	-	-	-	-	-	-	(3,874)	(3,874)	-	(3,874)	
Balance as at 30 June 2012	1,262,055,615	315,514	(96,186)	116,092	113,932	1,398,905	2,611,691	4,459,948	2,756,372	7,216,320	
Balance as at 1 January 2013	1,272,668,863	320,637	(45,829)	204,820	98,979	1,317,979	2,038,520	3,935,106	1,384,489	5,319,595	
Effect adopting FRS10	-	-	-	-	-	11,520	(528,949)	(517,429)	1,397,482	880,053	
As at 31 December 2012 / 1 January 2013, restated	1,272,668,863	320,637	(45,829)	204,820	98,979	1,329,499	1,509,571	3,417,677	2,781,971	6,199,648	
Foreign exchange translation differences	-	-	-	-	-	(65,331)	-	(65,331)	(164,847)	(230,178)	
Transfer from reserves to retained profit	-	-	-	-	-	254	-	254	-	254	
Cash flow hedges	-	-	-	-	-	1,792	-	1,792	1,868	3,660	
Fair value of available-for-sale financial assets	-	-	-	-	-	1,284	-	1,284	-	1,284	
Total other comprehensive income for the year	-	-	-	-	-	(62,001)	-	(62,001)	(162,979)	(224,980)	
Profit for the year	-	-	-	-	-	-	411,262	411,262	44,637	455,899	
Total comprehensive income for the year	-	-	-	-	-	(62,001)	411,262	349,261	(118,342)	230,919	
Warrant exercised	7,982,373	1,997	-	29,973	(5,824)	-	-	26,146	-	26,146	
Treasury shares acquired	(5,442,000)	-	(21,233)	-	-	-	-	(21,233)	-	(21,233)	
Acquisition of additional interest in subsidiaries	-	-	-	-	-	30,538	-	30,538	(1,225,285)	(1,194,747)	
Balance as at 30 June 2013	1,275,209,236	322,634	(67,062)	234,793	93,155	1,298,036	1,920,833	3,802,389	1,438,344	5,240,733	



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2013		
	AS AT 30.06.2013	AS AT 30.06.2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- continued operations	66,078	277,500
- discontinued operations	425,795	129,100
	491,873	406,600
Non-cash item	(33,931)	(286,080)
Operating profit before changes in working capital	457,942	120,520
Changes in working capital:		
Inventories	68,334	(52,182)
Receivables	(27,278)	(71,917)
Payables	(90,080)	403,458
Cash generated from operations	408,918	399,879
Employee benefits paid	-	-
Income tax paid	(50,883)	(98,441)
Tax refund	-	963
Net cash generated from operating activities	358,035	302,401
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,979	1,809
Payment of:		
- deferred farm expenditure	19,986	(2,307)
Purchase of:		
- equity interest in:		
- associates	(42)	2,897
- other investments	(175,012)	(107,914)
- property, plant and equipment	(255,921)	(549,797)
- intangible assets	(22,568)	-
Proceeds from:		
- disposal of other investment:		
- non-current	253,574	81,292
- disposal of property, plant and equipment	1	5,957
- disposal of subsidiaries	1,112,499	-
Net cash (used in)/generated from investing activities	935,496	(568,063)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to:		
- shareholders of the Company	(1,158,450)	(34,975)
Proceeds from term loans	338,454	337,704
Repayment of term loans	(294,418)	(103,244)
Proceeds from the issue of shares:		
- Warrants	31,970	84
Disposal of treasury shares (net of acquisition)	(21,234)	-
Purchased of treasury share	-	(1)
(Addition) / Withdrawal of fixed deposits pledged	-	7,122
Interest paid	(39,366)	(58,248)
Net cash used in financing activities	(1,143,044)	148,442
Net (decrease in cash and cash equivalents)	150,487	(117,220)
Effect of exchange reserve rate fluctuations on cash held	559	1,119
Cash and cash equivalents at 1 January	246,182	556,718
Cash and cash equivalents at 30 June	397,228	440,617
Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:		
Cash and bank balances	326,545	449,944
Deposits with licensed banks	97,737	71,535
	424,282	521,479
Less:		
Deposits pledged	-	(77,005)
Bank overdraft	(27,054)	(3,857)
	397,228	440,617



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 except for the application of FRS 10 as explained in note A5.

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

Other than for application of FRS 10, the application of the above FRS, Amendment to FRS and Interpretations did not result in any significant changes in the accounting policies and presentation of the Financial results of the Group.

The impact on the financial performance and results of the Group arising from the adoption of FRS 10 is discussed below:

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation - Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's return. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134****A2. Significant Accounting Policies (continued)**

The application of FRS 10 affected the accounting for the Group's equity interest in New Britain Palm Oil Limited ("NBPOL"). During the previous financial year, the Group's shareholdings in NBPOL was diluted to 49.54% and this was accounted for as a deemed disposal of a subsidiary.

Under FRS 10 which was effective on 1 January 2013, the directors consider that the Group has retained control of NBPOL even though it has less than 50% of the voting rights. The Group is the majority shareholder of NBPOL with 48.97% equity interest as at 31 December 2012. Given the dispersed nature of the shareholdings in NBPOL not held by the Group, the directors consider that the shareholders who are likely to attend the shareholders' meeting of NBPOL are unlikely to out vote the Group in any resolution and that therefore, the Group has control over NBPOL.

The change in accounting policy has been accounted for retrospectively in accordance with the transitional provisions of FRS 10.

Following the adoption of FRS 10, certain comparatives have been restated as follow:

Consolidated statement of financial position at 31 December 2012

	Originally stated RM'000	Adjustment RM'000	Restated RM'000
Non-current assets	5,224,967	1,783,771	7,008,738
Current assets	3,994,232	1,107,065	5,101,297
Total assets	<u>9,219,199</u>	<u>2,890,836</u>	<u>12,110,035</u>
Non-current liabilities	636,892	1,505,987	2,142,879
Current liabilities	3,262,712	504,796	3,767,508
Total equity	<u>5,319,595</u>	<u>880,053</u>	<u>6,199,648</u>
Total equity and liabilities	<u>9,219,199</u>	<u>2,890,836</u>	<u>12,110,035</u>

**Consolidated statement of comprehensive income for
6 months period ended 30 June 2012**

	Originally stated RM'000	Adjustment RM'000	Restated RM'000
Revenue	3,052,570	(1,450,003)	1,602,567
Profit before tax	2,262,738	(1,985,238)	277,500
Profit for the period	2,177,735	(1,854,702)	323,033

**Consolidated statement of comprehensive income for
3 months period ended 30 June 2012**

	Originally stated RM'000	Adjustment RM'000	Restated RM'000
Revenue	1,389,609	(533,313)	856,296
Profit before tax	2,073,424	(1,918,065)	155,359
Profit for the period	2,034,159	(1,854,702)	179,457



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Significant Accounting Policies (continued)

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.

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.



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

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

On January 2013, FRS 10 inserts an additional condition of which the holding company can consolidate the result of a subsidiary due to the holding in less than 50% but it represents a significant voting rights against a widely spread shareholders, then it falls under ability to control and thus possible for the holding company to consolidate the results of the subsidiary company.

As a result, during the quarter under review, NBPOL became a subsidiary company of the Group.

Besides NBPOL, the QSR results for 2012 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

There was no dividend paid during the quarter.

A9. Segmental Information

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



KULIM (MALAYSIA) BERHAD

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 6 Months Ended 30 June 2013	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	398,197	970,995	-	91,516	38,693	4,473	-	44,406	(41,171)	1,507,109
Segment results	65,696	60,275	-	11,231	1,943	2,424	166	(29,203)	(10,067)	102,465
Interest income	22	3	-	-	20	7	-	2,927	-	2,979
Finance costs	(16,168)	(15,777)	-	(9,088)	(655)	-	-	(36)	2,358	(39,366)
Profit before tax	49,550	44,501	-	2,143	1,308	2,431	166	(26,312)	(7,709)	66,078

Results for 6 Months Ended 30 June 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	327,895	1,171,229	1,753,948	88,894	106,812	4,301	-	6,916	(1,857,428)	1,602,567
Segment results	59,043	216,016	122,117	24,858	5,194	2,096	40	30,342	(139,309)	320,397
Interest income	665	127	-	-	-	-	-	1,017	-	1,809
Finance costs	(17,271)	(18,588)	(9,053)	(10,226)	(708)	-	-	(2,402)	13,542	(44,706)
Profit before tax	42,437	197,555	113,064	14,632	4,486	2,096	40	28,957	(125,767)	277,500



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 3 Months Ended 30 June 2013	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	202,204	515,038	-	35,935	5,753	2,218	-	41,079	(9,936)	792,291
Segment results	28,434	37,435	-	(4,791)	(2,956)	1,368	135	(8,828)	(390)	50,407
Interest income	(195)	3	-	-	20	7	-	2,699	-	2,534
Finance costs	(8,257)	(7,762)	-	(3,084)	(497)	-	-	115	-	(19,485)
Profit before tax	19,982	29,676	-	(7,875)	(3,433)	1,375	135	(6,014)	(390)	33,456

Results for 3 Months Ended 30 June 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	167,004	634,084	896,553	39,468	55,908	2,164	-	1,854	(940,739)	856,296
Segment results	25,692	101,377	58,987	10,027	4,754	1,417	40	43,651	(67,161)	178,784
Interest income	457	30	-	-	-	-	-	367	-	854
Finance costs	(8,641)	(10,452)	(4,662)	(4,845)	(431)	-	-	(2,195)	6,947	(24,279)
Profit before tax	17,508	90,955	54,325	5,182	4,323	1,417	40	41,823	(60,214)	155,359



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)

Assets and Liabilities As at 30 June 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	3,608,897	4,430,285	-	419,228	71,058	95,602	1,925	7,438	8,634,433
Unallocated corporate assets	-	-	-	-	-	-	-	68,938	68,938
Total assets	3,608,897	4,430,285	-	419,228	71,058	95,602	1,925	76,376	8,703,371
Segment liabilities	839,540	1,086,422	-	276,154	98,485	-	-	225,914	2,526,515
Unallocated corporate liabilities	159,470	766,743	-	-	257	-	-	9,653	936,123
Total liabilities	999,010	1,853,165	-	276,154	98,742	-	-	235,567	3,462,638

Assets and Liabilities As at 1 January 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	3,566,691	4,692,892	3,091,196	424,207	104,234	95,602	1,718	49,734	12,026,274
Unallocated corporate assets	-	-	-	-	-	-	-	83,761	83,761
Total assets	3,566,691	4,692,892	3,091,196	424,207	104,234	95,602	1,718	133,495	12,110,035
Segment liabilities	990,841	2,010,784	1,070,408	294,244	114,080	-	-	453,653	4,934,010
Unallocated corporate liabilities	155,751	-	-	-	562	-	-	820,064	976,377
Total liabilities	1,146,592	2,010,784	1,070,408	294,244	114,642	-	-	1,273,717	5,910,387



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 28 June 2013, Kulim (Malaysia) Berhad (“Kulim”), completed the acquisition of the interest in Danamin Sdn Bhd (“Danamin”). The acquisition however, is expected not to have 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 30 June 2013 are as follows:

	RM'000
Contracted	3,816
Not contracted	50,324
	54,140

A15. Impairment of Assets

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



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A16. Related Party Disclosures

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

	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM '000	RM '000	RM '000	RM '000
Group				
Ultimate holding corporation				
Johor Corporation				
- Agency fee received	45	56	101	112
- Sales of oil palm fresh fruit bunches	7,004	-	11,536	-
- Purchasing and sales commission received	521	523	1,026	944
- Planting advisory and agronomy fee received	21	30	51	59
- Computer charged received	11	33	44	58
- Inspection fee received	7	8	15	15
- Rental payable	209	145	314	321



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 RM1.51 billion for the quarter under review compared to the corresponding period 2012 with revenue of RM1.60 billion, a decrease of 5.63%.

The Group recorded a PBT of RM66.1 million for the second quarter 2013 compared to PBT of RM277.5 million for the corresponding period in 2012, a decrease of 76.18%.

Plantation Operation - Malaysia

The Group's FFB production for the current quarter 2013 is at 179,466mt compared to the corresponding period in 2012 at 138,891mt an increase of 29.21%

The Group's cumulative FFB production for the cumulative quarters ending June 2013 is at 338,293mt. This is 30.22% higher compared to the FFB production for the corresponding period in 2012 of 259,783mt.

The Group's OER for the cumulative quarters 2013 is marginally lower at 20.32% compared to 20.37% for the corresponding period 2012.

Total FFB processed by the Group mills for the cumulative quarters 2013 is at 556,828mt which is 55.77% higher compared to the corresponding period 2012 of 357,457mt. Total FFB processed is inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved average CPO price of RM2,471 and PK at RM1,205 per mt respectively for the cumulative quarters 2013 compared to RM3,128 and RM1,851 per mt for CPO and PK respectively for the corresponding period in 2012.

Plantation Operation - Papua New Guinea & Solomon Island

NPBOL Group produced 425,468mt FFB in the current quarter 2013 which is 1.40% lower compared to the corresponding period in 2012. Together with crops purchased from outside the Group, NBPOL Group processed 599,436mt FFB for the current quarter which is 4.18% lower compared to the corresponding period in 2012.

The Group's cumulative FFB production for the cumulative quarters ending June 2013 is at 830,624mt. This is 3.30% lower compared to the FFB production for the corresponding period in 2012. FFB processed for the cumulative quarters is at 1,160,499mt which is 5.12% lower compared to the corresponding period in 2012.

NBPOL Group OER for the cumulative quarters 2013 is at 22.50% compared to the corresponding period in 2012 of 22.36%.

NBPOL Group achieved CPO price averages of USD889 per mt for the cumulative quarters 2013 compared to USD1,100 per mt achieved for the corresponding period in 2012.



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

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.

Intrapreneur Ventures (IV)

The revenue from the IV businesses excluding shipping services was RM38.69 million for the cumulative quarters 2013, a decrease of 63.78% as compared to the corresponding period in 2012. The business recorded lower performance with profit before tax of RM1.31 million for the cumulative quarters 2013. (2012: RM4.5 million)

The revenue of shipping business increase to RM91.52 million for the cumulative quarters under review, an increase of 2.95% compared to the corresponding period in 2012. The business recorded a profit before tax of RM2.14 million for the cumulative quarters 2013. (2012: RM14.60 million)

B2. Material Changes in the Quarterly Results

During the quarter under review, NBPOL became a subsidiary company of Kulim, due to the adoption of FRS 10 by the Kulim Group.

The Oil Palm sector recorded lower profits for the 2nd quarter 2013 mainly due to lower palm product prices compared to the corresponding quarter last year.

B3. Current Year Prospects

Palm products prices continue to be affected by the weak demand from major importing countries as a result of weak economies. However the current low palm products prices are expected to recover strongly towards end 2013 due to anticipated global economic recovery. Meanwhile concrete steps are being taken to continually improve operational efficiencies in order to cushion any further weakening in commodity prices.

With the food business no longer part of the Group, the Board expects the Group's performance for the remaining quarter of the financial year to follow closely the price movements of palm oil.

B4. Profit Forecast/Profit Guarantee

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



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

B5. Taxation

	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Current Taxation				
- Malaysia	(4,696)	(34,569)	(8,112)	(70,477)
- Overseas	-	(1,456)	-	67,399
	(4,696)	(36,025)	(8,112)	(3,078)
Transfer to deferred taxation				
- Malaysia	(10,078)	11,639	(10,975)	(12,166)
- Overseas	(13,179)	5,664	(16,887)	(30,493)
	(23,257)	17,303	(27,862)	(42,659)
Total	(27,953)	(18,722)	(35,974)	(45,737)

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		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Impairment of assets	(15,901)	-	(15,901)	-
Gain on fair value changes of derivatives	20,537	47,519	52,476	51,160
Foreign exchange gain or loss	(21,581)	8,905	(44,776)	32,838
Rental income	536	-	1,376	-
Gain on dilution of subsidiary	-	56,251	-	56,251
Miscellaneous income / (expenses)	(2,815)	(14,647)	(5,386)	(5,099)
Total other operating income / (losses)	(19,224)	98,028	(12,211)	135,150



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 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:

Announcement made by Kulim (Malaysia) Berhad.

On 20 June 2013, the Company announced that it proposed to acquire up to 30,009,621 ordinary shares in New Britain Palm Oil Limited (“NBPOL”) representing up to 20% NBPOL’s issued and paid up capital not already owned by Kulim (“Offer Shares”) for GBP5.50 per Offer Share or a cash consideration of approximately RM812.30 million via a conditional partial offer pursuant to the PNG Code (“the Partial Offer”).

On 1 July 2013, the Company announced that it had served a takeover notice to the board of directors of NBPOL under Rule 22(1) of the PNG Code.

On 23 July 2013, the Company announced that the offer document which sets out the details of the Partial Offer together with the acceptance form (“Offer Document”) have been dispatched to the shareholders of NBPOL on even date.

The Partial Offer is open for acceptances until 5.00 p.m. on 28 August 2013 (PNG time) for acceptances received within PNG, or 1.00 p.m. on 28 August 2013 (UK time) for acceptances received within the UK, unless withdrawn or extended in accordance with the PNG Code.

NBPOL has subsequently released its target company statement (“Target Company Statement”) dated 6 August 2013. In the Target Company Statement, the independent directors of NBPOL (“Independent Directors”) have recommended that NBPOL Shareholders reject the Offer. Also the independent adviser, BDO LLP (“BDO” or the “Independent Adviser”), has concluded in their report (“Independent Adviser’s Report”) contained in the Target Company Statement, that the Partial Offer is, in BDO’s opinion, not fair and not reasonable.

On 16 August 2013, Kulim has announced a press release detailing out a number of its concerns with regard to the information contained in the Target Company Statement issued by NBPOL.

On 20 August 2013, the Company announced that it had received orders vide a letter from the Securities Commission of Papua New Guinea (“SCPNG”) pursuant to Section 7, 154 and 155 of the Securities Act 1997 (“Orders”) restraining the Company from:-

- (i) doing any act for the purposes of acquiring any shares in NBPOL or any interest in or rights in relation to such shares and from taking any steps to complete the acquisition of any such shares;
- (ii) further publication of its partial takeover bid or offer on any print media, electronic media, televisions or any form of media including the social media;
- (iii) exercising any right to vote attached to any shares it already holds in NBPOL; and
- (iv) any action that is or that may reasonably be expected to constitute a contravention of the PNG Code.



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

Announcement made by Kulim (Malaysia) Berhad (continued)

In addition to the above, PNG Registry Limited is restrained to register and transfer any shares in NBPOL from any shareholders to the Company.

The above Orders shall expire on 10 September 2013. No specific reason was given by the SCPNG in relation to the Orders.

The Board of Kulim will determine the next course of action upon clarification and consultation with SCPNG and the Company's solicitors in PNG.

In accordance to the Offer Document, the offer period of the Partial Offer closed on 28 August 2013 at 5.00 p.m. (PNG time) and 1.00 p.m. (UK time).

On even date, Kulim announced that the Partial Offer has since closed for acceptances in PNG, and will close at 1.00 p.m. (UK time) on 28 August 2013 for acceptances received within the UK. At the close of acceptances, Kulim is still restricted by the Orders issued by the SCPNG as set out in the announcement dated 20 August 2013.

From 20 August 2013 to even date, various correspondences have been exchanged between Kulim and the SCPNG to seek clarification and to have the Orders removed.

Further, the Papua New Guinea (PNG) Minister for Trade, Commerce and Industry had on 27 August 2013 approved an amendment to the Takeovers Code 1998 of PNG (the "Code") enabling the SCPNG to prevent the takeover of a company under its jurisdiction where the Commission deems such takeover to be contrary to the national interests of PNG. The amendment to the Code is intended to come into effect on 27 August 2013. Following this, on 27 August 2013 SCPNG has made Orders under the amended Code on substantially the same terms as those made by it on 20 August 2013.

After due deliberation, Kulim has commenced proceedings in the National Court of Papua New Guinea to have the Orders set aside and to enable it to complete the Partial Offer.

At the time of this announcement, a total of 4,888,356 acceptances representing approximately 3.26% of the total shares outstanding in NBPOL have been received.



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 30 June 2013 RM'000	Restated As at 1 January 2013 RM'000
Non-current		
Secured:		
Obligations under finance leases	216	-
Term loans	1,076,189	1,136,020
	1,076,405	1,136,020
Unsecured:		
Obligations under finance leases	377	483
Term loans	-	30,000
	377	30,483
Non-current loans and borrowings	1,076,782	1,166,503
Current		
Secured:		
Obligations under finance leases	255	265
Bank overdrafts	25,468	-
Term loans	457,463	388,312
	483,186	388,577
Unsecured:		
Obligations under finance leases	478	277
Bank overdrafts	1,586	34,706
Bankers' acceptances	1,475	-
Revolving credit	525,482	517,316
Term loans	64,980	35,647
	594,001	587,946
Current loans and borrowings	1,077,187	976,523
Total loans and borrowings	2,153,969	2,143,026

B09. 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”)**

	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Basic earnings per share				
Net profit for the period	66,113	110,360	411,262	179,065
Weighted average no of share in issue	1,262,113	1,230,853	1,262,113	1,230,853
Basic earnings per share	5.24	9.03	32.59	24.77
Diluted earnings per share	5.14	9.03	32.00	24.77

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)	1.4350	1.4728	1.5950	1.5528
United Kingdom Pound Sterling (GBP)	4.8445	4.9113	4.9600	4.9690
United States of America Dollar (USD)	3.1765	3.1113	3.1965	3.1213
Euro Dollar (EUR)	4.1415	4.0508	3.9770	3.9685
Singapore Dollar (SGD)	2.5073	2.5040	2.4973	2.4990
Solomon Islands Dollar (SBD)	1.4350	1.4728	1.5950	1.5528



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 30 June 2013 RM'000	As at 31 Dec 2012 RM'000
The retained earnings of the Group is made up as follows:-		
- Realised	2,019,309	3,231,357
- Unrealised	1,191,801	(792,250)
	<hr/> 3,211,110	<hr/> 2,439,107
Total shares of retained earnings of associates		
-Realised	(8,267)	13,822
	<hr/> 3,202,843	<hr/> 2,452,929
Add : Consolidation adjustments	(1,282,010)	(414,403)
	<hr/> 1,920,833	<hr/> 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 : 28 August 2013