



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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER TO 31 MARCH 2015**



**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ended 31 December 2015

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER TO 31 MARCH 2015**

	3 months ended		3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000 As restated	31.03.2015 RM'000	31.03.2014 RM'000 As restated
Revenue	268,170	276,198	268,170	276,198
Expenses excluding finance cost & tax	(228,367)	(218,565)	(228,367)	(218,565)
Depreciation and amortisation	(31,775)	(31,716)	(31,775)	(31,716)
Other operating income / (loss)	20,919	5,313	20,919	5,313
<b>Profit from operations</b>	<b>28,947</b>	<b>31,230</b>	<b>28,947</b>	<b>31,230</b>
Finance cost	(6,921)	(12,243)	(6,921)	(12,243)
Interest income	2,490	1,105	2,490	1,105
Share of profit in associates	68	107	68	107
<b>Profit before taxation</b>	<b>24,584</b>	<b>20,199</b>	<b>24,584</b>	<b>20,199</b>
Income tax expense	(9,554)	(3,204)	(9,554)	(3,204)
<b>Profit from continuing operations</b>	<b>15,030</b>	<b>16,995</b>	<b>15,030</b>	<b>16,995</b>
Discontinued operation				
Profit from discontinued operation, net of tax	1,336,489	49,719	1,336,489	49,719
<b>Profit for the year</b>	<b>1,351,519</b>	<b>66,714</b>	<b>1,351,519</b>	<b>66,714</b>
Profit attributable to:				
Owners of the company	1,360,502	38,136	1,360,502	38,136
Minority interest	(8,983)	28,578	(8,983)	28,578
<b>Profit for the period</b>	<b>1,351,519</b>	<b>66,714</b>	<b>1,351,519</b>	<b>66,714</b>
Basic earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
From continuing operations	3.14	1.08	3.14	1.08
From discontinued operations	99.37	1.90	99.37	1.90
Diluted earnings per ordinary share (sen):				
From continuing operations	3.11	1.07	3.11	1.07
From discontinued operations	98.63	1.89	98.63	1.89

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014

**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ended 31 December 2015

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER TO 31 MARCH 2015**

	3 months ended		3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000 As restated	31.03.2015 RM'000	31.03.2014 RM'000 As restated
Profit for the period	1,351,519	66,714	1,351,519	66,714
Foreign currency translation differences for foreign operations	(10,274)	(207,169)	(10,274)	(207,169)
Transfer (from) / to:				
- reserve	-	28	-	28
Cash flow hedge	(25)	(753)	(25)	(753)
Available for sale reserve	1,748	(1,317)	1,748	(1,317)
<b>Total comprehensive income for the period</b>	<b>1,342,968</b>	<b>(142,497)</b>	<b>1,342,968</b>	<b>(142,497)</b>
Total comprehensive income attributable to:				
Owners of the company	1,358,143	(80,319)	1,358,143	(80,319)
Minority interest	(15,175)	(62,178)	(15,175)	(62,178)
<b>Total comprehensive income for the period</b>	<b>1,342,968</b>	<b>(142,497)</b>	<b>1,342,968</b>	<b>(142,497)</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2015**

	AS AT END OF CURRENT QUARTER 31.03.2015	AS AT FINANCIAL YEAR 31.12.2014 (AUDITED)
	RM'000	RM'000
<b>ASSETS</b>		
Property, plant and equipment	3,543,648	3,517,968
Investment property	110,768	110,768
Investment in associates	2,500	76,522
Other investments	243,678	68,485
Intangible assets:	55,209	33,439
Goodwill	47,175	25,768
Other intangibles	8,034	7,671
<b>Non-current assets</b>	<b>3,955,803</b>	<b>3,807,182</b>
Other investments	17,219	16,839
Inventories	48,178	40,602
Trade and other receivables	316,426	214,405
Derivative financial instruments	2,449	2,449
Tax recoverable	16,061	15,398
Cash and cash equivalents	1,958,973	342,597
	2,359,306	632,290
Assets of disposal group classified as held for sale	-	4,819,085
<b>Current assets</b>	<b>2,359,306</b>	<b>5,451,375</b>
<b>TOTAL ASSETS</b>	<b>6,315,109</b>	<b>9,258,557</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	335,833	335,626
Share premium	425,488	422,445
Other reserves:	1,348,790	1,372,461
Revaluation and other reserves	1,387,552	1,383,789
Warrant reserve	55,707	55,735
Treasury shares	(94,469)	(67,063)
Revenue reserves	2,801,991	1,943,596
Reserves of disposal group classified as held for sale	-	(51,622)
Equity Attributable to Equity Holders of the Company	4,912,102	4,022,506
Minority Interest	230,759	1,590,197
<b>TOTAL EQUITY</b>	<b>5,142,861</b>	<b>5,612,703</b>
Loans and borrowings	427,252	451,261
Deferred tax liabilities	184,436	185,700
<b>Non current liabilities</b>	<b>611,688</b>	<b>636,961</b>
Trade and other payables	231,359	168,565
Current income tax liabilities	6,918	4,887
Loans and borrowings	322,283	750,924
	560,560	924,376
Liabilities of disposal group classified as held for sale	-	2,084,517
<b>Current liabilities</b>	<b>560,560</b>	<b>3,008,893</b>
<b>TOTAL LIABILITIES</b>	<b>1,172,248</b>	<b>3,645,854</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,315,109</b>	<b>9,258,557</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>3.66</b>	<b>3.00</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014



**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ended 31 December 2015

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	← ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY →											
	← NON-DISTRIBUTABLE						→ DISTRIBUTABLE					
	NO. OF SHARES	NOMINAL VALUE RM'000	TREASURY SHARES RM'000	SHARE PREMIUM RM'000	WARRANT RESERVE RM'000	REVALUATION & OTHER RESERVES RM'000	RESERVE OF DISPOSAL		RETAINED EARNINGS RM'000	TOTAL RM'000		MINORITY INTEREST RM'000
CLASSIFIED AS HELD FOR SALE RM'000												
Balance as at 1 January 2014	1,294,053,111	323,513	(67,063)	247,507	90,586	1,280,710	-	-	1,905,404	3,780,657	1,346,491	5,127,148
Foreign exchange translation differences	-	-	-	-	-	(116,797)	-	-	-	(116,797)	(90,372)	(207,169)
Transfer from reserves to retained profit	-	-	-	-	-	28	-	-	28	28	-	28
Cash flow hedges	-	-	-	-	-	(369)	-	-	-	(369)	(384)	(753)
Fair value of available-for-sale financial assets	-	-	-	-	-	(1,317)	-	-	-	(1,317)	-	(1,317)
Total other comprehensive income for the year	-	-	-	-	-	(118,455)	-	-	-	(118,455)	(90,756)	(209,211)
Profit for the year	-	-	-	-	-	-	-	-	38,136	38,136	28,578	66,714
Total comprehensive income for the year	-	-	-	-	-	(118,455)	-	-	38,136	(80,319)	(62,178)	(142,497)
Acquisition of new subsidiaries	-	-	-	-	-	-	-	-	-	-	17,917	17,917
Dividends to shareholders	-	-	-	-	-	1,214	-	-	-	1,214	-	1,214
Balance as at 31 March 2014	1,294,053,111	323,513	(67,063)	247,507	90,586	1,163,469	-	-	1,943,540	3,701,552	1,302,230	5,003,782
Balance as at 1 January 2015	1,342,502,556	335,626	(67,063)	422,445	55,735	1,383,789	(51,622)	-	1,943,596	4,022,506	1,590,197	5,612,703
Foreign exchange translation differences	-	-	-	-	-	(4,081)	-	-	-	(4,081)	(6,193)	(10,274)
Cash flow hedges	-	-	-	-	-	(25)	-	-	-	(25)	-	(25)
Fair value of available-for-sale financial assets	-	-	-	-	-	1,748	-	-	-	1,748	-	1,748
Total other comprehensive income for the year	-	-	-	-	-	(2,358)	-	-	-	(2,358)	(6,193)	(8,551)
Profit for the year	-	-	-	-	-	-	-	-	1,360,502	1,360,502	(8,983)	1,351,519
Total comprehensive income for the year	-	-	-	-	-	(2,358)	-	-	1,360,502	1,358,144	(15,176)	1,342,968
Partial disposal of shares by subsidiary to non controlling interest	-	-	-	-	-	10	-	-	-	10	-	10
Treasury shares acquired	-	-	(27,406)	-	-	-	-	-	-	(27,406)	-	(27,406)
Warrant exercised	38,000	10	-	137	(28)	-	-	-	-	119	-	119
Acquisition from non controlling interest	-	-	-	-	-	56	-	-	-	56	65	121
Exercised of employees share options	787,600	197	-	2,906	-	(701)	-	-	-	2,402	-	2,402
Grant of equity - settled share options to employees	-	-	-	-	-	2,631	-	-	-	2,631	-	2,631
Dividends to shareholders	-	-	-	-	-	-	-	-	(500,107)	(500,107)	-	(500,107)
Dividend to minority interest of subsidiaries	-	-	-	-	-	-	-	-	(2,000)	(2,000)	-	(2,000)
Acquisition of new subsidiaries	-	-	-	-	-	1,897	-	-	-	1,897	23,345	25,242
Disposal of subsidiary	-	-	-	-	-	2,228	51,622	-	-	53,850	(1,367,672)	(1,313,822)
Balance as at 31 March 2015	1,343,328,156	335,833	(94,469)	425,488	55,707	1,387,552	-	-	2,801,991	4,912,102	230,759	5,142,861

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014)



**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ended 31 December 2015

<b>CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 31 MARCH 2015</b>		
	<b>AS AT 31.03.2015  RM'000</b>	<b>AS AT 31.03.2014 Restated RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		
- continued operations	24,584	20,199
- discontinued operations	1,339,743	53,428
	1,364,327	73,627
Non-cash item	(1,478,759)	161,331
<b>Operating profit before changes in working capital</b>	<b>(114,432)</b>	<b>234,958</b>
Changes in working capital:		
Inventories	(7,576)	23,083
Receivables	(102,021)	(70,610)
Payables	62,794	5,006
Cash generated from operations	(161,235)	192,437
Income tax (paid)/refund	(11,129)	(1,038)
<b>Net cash (used in)/ generated from operating activities</b>	<b>(172,364)</b>	<b>191,399</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash acquired	1,444	(55,335)
Dividends received	147	-
Interest received	2,490	1,118
Payment of:		
- deferred farm expenditure	(21,460)	-
- other investments	(50,003)	(3,362)
- property, plant and equipment	(5,848)	(93,809)
Proceeds from:		
- disposal of property, plant and equipment	-	1,729
- disposal of subsidiaries	2,855,120	-
<b>Net cash (used in)/generated from investing activities</b>	<b>2,781,890</b>	<b>(149,659)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to:		
- shareholders of the Company	(500,107)	-
- non controlling interest of subsidiaries	(2,000)	-
Proceeds from term loans	127,117	154,764
Repayment of term loans	(609,343)	(200,966)
Proceeds from the issue of shares:		
- ESOS	2,631	-
- Warrants	119	-
Issue of shares to non controlling interest of subsidiaries	-	(17,917)
Purchased of treasury share	(27,406)	-
Acquisition of shares from non controlling interest	121	-
Partial disposal of shares to non controlling interest	10	-
Interest paid	(6,921)	(12,243)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,015,779)</b>	<b>(76,362)</b>
Net (decrease) in cash and cash equivalents	1,593,747	(34,622)
Effect of exchange reserve rate fluctuations on cash held	-	4,339
Cash and cash equivalents at 1 January	345,278	325,377
<b>Cash and cash equivalents at 31 December</b>	<b>1,939,025</b>	<b>295,094</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents included in the cash flow statements comprise the following statement of financial position amounts:		
Cash and bank balances	496,661	135,584
Deposits with licensed banks	1,462,312	207,013
	1,958,973	342,597
Less:		
Deposits pledged	(14,069)	(12,550)
Bank overdraft	(5,879)	(34,953)
	1,939,025	295,094

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014)



**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1. Basis of Preparation**

This interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, Interim Financial reporting, issued by the Malaysian Accounting Standards Board (MASB). The Interim Financial Report should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2014.

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 2014.

**A2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2014. 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 2014.

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>
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendment to FRS 10 and FRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendment to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
Amendment to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendment to FRS 127 : Equity Method in Separate Financial Statements Applying the Consolidated Exception	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
FRS 9: Financial Instruments	1 January 2016

The directors expect that the adoption of the above standards and interpretations will not have any material impact on the financial statements in the period of initial application.



**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**A2. Significant Accounting Policies (continued)**

**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').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. 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 are in the midst of assessing the impact of adopting 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**

Based on the current quarter consolidated financial statements of Kulim Group as at 31 March 2015, Kulim recorded a gain on disposal of approximately RM1.34 billion to Kulim Group.

**A6. Change in Accounting Estimates**

There were no changes in the accounting estimates 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**

As per circular to shareholders announced in relation to the proposed disposal of NBPOL dated on 18 November 2014, the Board of the company has earmarked approximately RM1.0 billion to be paid as dividends to all entitled shareholders of the company. The dividend are expected to be paid on staggered basis over a period of two (2) years, being approximately RM500 million per year.

The first payment has been paid on 20 March 2015 amounting at RM0.3765 sen per ordinary share of RM0.25 each in Kulim (M) Bhd.

**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 ended 31 December 2015

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**A9. Segmental Information (continued)**

Results for 3 Months Ended 31 March 2015	Plantation	Intraprenuer Ventures (IV)	Oil & Gas support services	Agro-Foods	Investment property	Associated company	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Operating revenue</b>	<b>146,513</b>	<b>18,533</b>	<b>78,822</b>	<b>2,752</b>	<b>2,132</b>	<b>-</b>	<b>19,418</b>	<b>268,170</b>
<b>Segment results</b>	<b>8,627</b>	<b>4,104</b>	<b>9,593</b>	<b>(9,194)</b>	<b>966</b>	<b>68</b>	<b>14,851</b>	<b>29,015</b>
Interest income	1,727	25	10	4	1	-	723	2,490
Finance costs	(5,524)	(153)	(1,221)	(12)	-	-	(11)	(6,921)
<b>Profit before tax</b>	<b>4,830</b>	<b>3,976</b>	<b>8,382</b>	<b>(9,202)</b>	<b>967</b>	<b>68</b>	<b>15,563</b>	<b>24,584</b>
<hr/>								
Results for 3 Months Ended 31 March 2014	Plantation	Intraprenuer Ventures (IV)	Oil & Gas support services	Agro-Foods	Investment property	Associated company	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Operating revenue</b>	<b>210,840</b>	<b>13,644</b>	<b>37,529</b>	<b>2,166</b>	<b>2,268</b>	<b>-</b>	<b>9,751</b>	<b>276,198</b>
<b>Segment results</b>	<b>32,855</b>	<b>3,282</b>	<b>10,491</b>	<b>(991)</b>	<b>890</b>	<b>107</b>	<b>(15,297)</b>	<b>31,337</b>
Interest income	944	14	135	-	2	-	10	1,105
Finance costs	(8,208)	(126)	(3,816)	(4)	-	-	(89)	(12,243)
<b>Profit before tax</b>	<b>25,591</b>	<b>3,170</b>	<b>6,810</b>	<b>(995)</b>	<b>892</b>	<b>107</b>	<b>(15,376)</b>	<b>20,199</b>



**KULIM (MALAYSIA) BERHAD**

Company No. 23370-V

Interim report for the financial year ended 31 December 2015

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**A9. Segmental Information (continued)**

Assets and Liabilities	Plantation	Intrapreneur Ventures (IV)	Oil & Gas support services	Agro-Foods	Investment property	Associated company	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 March 2015								
Segment assets	5,055,188	228,173	652,393	17,554	110,768	2,500	4,855	6,071,431
Unallocated corporate assets	-	-	-	-	-	-	243,678	243,678
<b>Total assets</b>	<b>5,055,188</b>	<b>228,173</b>	<b>652,393</b>	<b>17,554</b>	<b>110,768</b>	<b>2,500</b>	<b>248,533</b>	<b>6,315,109</b>
Segment liabilities	452,638	99,786	393,958	25,504	-	-	15,926	987,812
Unallocated corporate liabilities	-	-	-	-	-	-	184,436	184,436
<b>Total liabilities</b>	<b>452,638</b>	<b>99,786</b>	<b>393,958</b>	<b>25,504</b>	<b>-</b>	<b>-</b>	<b>200,362</b>	<b>1,172,248</b>

Assets and Liabilities	Plantation	Intrapreneur Ventures (IV)	Oil & Gas support services	Agro-Foods	Investment property	Associated company	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2014								
Segment assets	3,353,979	231,062	677,566	27,137	110,768	76,522	169,941	4,646,975
Unallocated corporate assets	-	-	-	-	-	-	4,611,582	4,611,582
<b>Total assets</b>	<b>3,353,979</b>	<b>231,062</b>	<b>677,566</b>	<b>27,137</b>	<b>110,768</b>	<b>76,522</b>	<b>4,781,523</b>	<b>9,258,557</b>
Segment liabilities	1,045,968	95,414	398,527	28,128	-	-	21,428	1,589,465
Unallocated corporate liabilities	-	-	-	-	-	-	2,056,389	2,056,389
<b>Total liabilities</b>	<b>1,045,968</b>	<b>95,414</b>	<b>398,527</b>	<b>28,128</b>	<b>-</b>	<b>-</b>	<b>2,077,817</b>	<b>3,645,854</b>



**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 31<sup>st</sup> 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**

None.

**A12. Changes in the Composition of the Group**

- a) On 26 February 2015, the company announced that the disposal of New Britain Palm oil Limited (“NBPOL”) was complete on 26 February 2015 following the receipt of the disposal Consideration from Sime Darby Plantation (“SDP”). Accordingly, NBPOL had ceased to be a subsidiary of the Kulim Group.
- b) On 6 March 2015, the company announced that AEDFL, a 54.21%-owned subsidiary of Kulim had on 5 March 2015, entered into the following agreements:
  - (i) a share sale agreement (“SSA”) with Johor Logistics Sdn Bhd (“JLog”), a subsidiary of Johor Paper Sdn Bhd (“Johor Paper”), which in turn is a wholly-owned subsidiary of Johor Corporation (“JCorp”) in relation to the proposed acquisition of 2,109,212 ordinary shares in ALC (“ALC Share(s)”) (“ALC Sale Share(s)”) representing approximately 30.0% equity interest in ALC not already owned by AEDFL, for a total consideration of approximately RM23.17 million to be satisfied by the issuance of 158,958 ordinary shares in AEDFL (“AEDFL Share(s)”) (“ALC Purchase Consideration”) (“Proposed Acquisition”);
  - (ii) a conditional subscription agreement (“Subscription Agreement”) with Kulim in relation to the subscription of 271 units new RCPS (“Subscription Share(s)”) at a nominal value of USD13.55 million (equivalent to approximately RM49.55 million) (“Proposed Subscription”); and
  - (iii) a shareholder’s loan agreement (“Shareholder’s Loan Agreement”) with ALC to grant and make available to ALC up to an aggregated sum of USD25.0 million (equivalent to approximately RM91.41 million) (“Proposed Financial Assistance”).

**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.



**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**A14. Capital Commitment**

Authorised capital expenditures not provided for in the financial statements as at 31 March 2015 are as follows:

	31.03.2015 RM'000
Contracted	149,832
Not contracted	21,015
Total	170,847

**A15. Impairment of Assets**

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

During the first quarter 2015, the group has recognised impairment amounting to RM6.90 million.

**A16. Related Party Disclosures**

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

	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM '000	RM '000	RM '000	RM '000
<b>Group</b>				
Ultimate holding corporation				
Johor Corporation				
- Agency fee received	410	127	410	127
- Purchasing and sales commission received	11	45	11	45
- Planting advisory and agronomy fee received	171	22	171	22
- Computer charged received	1,109	5	1,109	5
- Inspection fee received	-	8	-	8
- Rental payable	157	157	157	157



**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 RM268.17 million for the quarter under review compared to the corresponding period 2014 with revenue of RM276.20 million, a decrease of 2.91%.

The Group recorded a PBT of RM24.58 million for the first quarter 2015 compared to PBT of RM20.20 million for the corresponding period in 2014, an increase of 21.71%.

**Plantation Operation - Malaysia**

The Group's FFB production for the first quarter 2015 was at 167,793mt compared to the corresponding period in 2014 at 177,398mt a decrease of 5.41%.

The Group's CPO production for the first quarter 2015 was at 52,425mt. This was 12.57% lower compared to the CPO production for the corresponding period in 2014 of 59,960mt.

Total FFB processed by the Group mills for the first quarter 2015 was at 248,908mt which was 13.44% lower compared to the corresponding period 2014 of 287,569mt. Total FFB processed was inclusive of crops purchased from outside the Group.

The Group's OER for the first quarter 2015 was marginally higher at 21.06% compared to 20.85% for the corresponding period 2014.

Malaysian plantation operation achieved average CPO price of RM2,262 and PK at RM1,789 per mt respectively for the first quarter 2015 compared to RM2,584 and RM2,008 per mt for CPO and PK respectively for the corresponding period in 2014.



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

**Intrapreneur Ventures (IV)**

The revenue from the IV businesses was RM18.53 million for the first quarter 2015, an increase of 35.83% as compared to the corresponding period in 2014.

IV businesses recorded a profit before tax amounting to RM3.98 million for the first quarter 2015 an increase of 25.43% as compared to the corresponding period in 2014.

**Oil and Gas Support Services**

The revenue of oil and gas support services mainly from E.A Technique (M) Bhd and Danamin Sdn Bhd increased to RM78.82 million for the first quarter under review, an increase of 110.03% compared to the corresponding period in 2014. The business recorded a profit before tax of RM8.38 million for the first quarter 2015. (2014: RM6.81 million)

**B2. Material Changes in the Quarterly Results**

The Oil Palm sector recorded lower profits for the first quarter 2015 mainly due to lower average price of CPO from Malaysia plantation segment compared to the corresponding quarter last year.

**B3. Current Year Prospects**

The outlook for oil palm prices is still stable albeit at lower level. However with improved productivity and greater cost efficiency, notwithstanding the challenges in the financial year 2015, we still expect respectable results from the plantations.

The IV divisions performance is expected to be maintain similar result as per 2014.

The Group also foresee the encouraging results to be expected arising from E.A Technique (M) Bhd under Oil and Gas support services segment.

**B4. Profit Forecast/Profit Guarantee**

The Company is not subjected 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		3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Current Taxation				
- Malaysia	(9,343)	(3,003)	(9,343)	(3,003)
	(9,343)	(3,003)	(9,343)	(3,003)
Transfer to deferred taxation				
- Malaysia	(211)	(201)	(211)	(201)
Total	(9,554)	(3,204)	(9,554)	(3,204)

**B6. Other operating income / (expenses)**

	3 months ended		3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Impairment of assets	(6,904)	-	(6,904)	-
Foreign exchange gain or loss	21,253	(169)	21,253	(169)
Rental income	237	196	237	196
Miscellaneous income / (expenses)	6,333	5,286	6,333	5,286
Total other operating income / (losses)	20,919	5,313	20,919	5,313





**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.**

1. On the 16 July 2014, the company announced that, vide its wholly-owned subsidiary, EPA Management Sdn Bhd (“EPA”) had on even date entered into a share sale agreement (“SSA”) for the sale of 25,000 ordinary shares in Kulim Safety Training And Services Sdn Bhd (“KSTSSB”) to Mohd Khir Bin Tamby (“The Intrapreneur”) at the total consideration price of RM25,000 representing 25% of KSTSSB’s share capital (“Proposed KSTSSB Disposal”). The SSA also incorporates a shareholders agreement to provide for certain arrangements relating to the KSTSSB’s operations and affairs and to determine certain rights and obligations of KSTSSB and its shareholders.

The Company is in the midst of completing the conditions precedent as defined in the respective agreements in relation to the Proposed KSTSSB Disposal.

2. On 27 August 2014, the company announced that it had entered into the following:-
  - (i) A land transfer agreement with PGEO Edible for the proposed disposal of the Nexsol Land to PGEO Edible, a wholly-owned subsidiary of PGEO Group, which in turn is a wholly-owned subsidiary of Wilmar for a cash consideration of RM23.0 million.

The Company is in the midst of completing the conditions precedent as defined in the respective agreements in relation to the Proposed Nexsol Disposals.

3. On 10 December 2014, the company announced that Kulim Energy Nusantara Sdn Bhd (“KENSBN”), its wholly owned subsidiary company had entered into a Conditional Subscription and Shares Purchase Agreement (“CSSPA”) with Citra Sarana Energi (“CSE”) and its existing shareholders namely, PT Wisesa Inspirasi Sumatera (“WIS”) and PT Inti Energi Sejahtera (“IES”) (collectively referred to as the “Sellers”), for a total cash consideration of approximately USD133.55 million (equivalent to approximately RM462.68 million) (“Purchase Consideration”) in relation to the acquisition of 60% equity interest in CSE to participate in the exploration and development of oil & gas (O&G) field in South West Bukit Barisan Block, Central Sumatera, Indonesia.

The Company is in the midst of completing the conditions precedent as defined in the respective agreements in relation to the acquisition.

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

	<b>As at 31.03.2015 RM'000</b>	<b>As at 31.12.2014 RM'000</b>
<b>Non-current</b>		
<b>Secured:</b>		
Obligations under finance leases	3,116	2,980
Term loans	273,549	283,943
	276,665	286,923
<b>Unsecured:</b>		
Term loans	150,588	164,338
	150,588	164,338
<b>Non-current loans and borrowings</b>	<b>427,253</b>	<b>451,261</b>
<b>Current</b>		
<b>Secured:</b>		
Obligations under finance leases	1,042	1,130
Bank overdrafts	698	1,472
Revolving credit	46,400	176,400
Bankers' acceptances	858	660
Term loans	38,460	41,293
	87,458	220,955
<b>Unsecured:</b>		
Bank overdrafts	5,181	6,303
Revolving credit	174,643	468,666
Term loans	55,000	55,000
	234,824	529,969
<b>Current loans and borrowings</b>	<b>322,282</b>	<b>750,924</b>
<b>Total loans and borrowings</b>	<b>749,535</b>	<b>1,202,185</b>



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

**B9. Material Litigation, Claims and Arbitration**

Save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as Plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business operations of the Group:

**(i) Dato' Muhammad Hafidz Bin Nuruddin ("Plaintiff") v Ramlan Bin Juki ("First Defendant") and Sindora Berhad ("Second Defendant")**

Sindora Berhad ("Sindora") was served with writ summons issued by the Shah Alam High Court on 30 September 2013 filed by the Plaintiff, who is the Company Secretary of MM Vitaoils Sdn Bhd ("MMVSB"), a company in which Sindora holds 2,375,000 ordinary shares of RM1.00 each, equivalent to 35% of the issued and paid-up share capital of MMVSB. The Plaintiff is seeking damages for losses arising from malicious defamatory words allegedly made by the First Defendant, who is a Director nominated by Sindora to the Board of MMVSB. The Plaintiff claims the Second Defendant is vicariously liable for the statements made by the First Defendant.

On 17 October 2013, the Shah Alam High Court has given the following directions in relations to the case:

- (a) The First Defendant and the Second Defendant ("Defendants") are to file Defence on or before 31 October 2013; and
- (b) The Plaintiff is to file Reply (if any) on or before 14 November 2013.

Following the above, the matter has been fixed for further case management on 19 November 2013.

Kulim has appointed Messrs Bodipalar Ponnudurai De Silva as solicitors to represent the Defendants in the High Court Suit.

On 10 January 2014, Kulim announced that the High Court has fixed the matter for further case management on 30 January, 2014 and for full Trial on 21, 22 and 23 May, 2014.

However on 22 May 2014, Kulim announced that the High Court has vacated the trial dates fixed on 21, 22 and 23 May, 2014 as previously announced and has fixed new trial dates on 30 and 31 October, 2014.

On 30 October 2014, Kulim announced that the High Court has vacated the trial dates fixed on 25 and 26 November, 2014 as previously announced and has fixed new trial dates on 4, 5 and 6 March 2015 and a further case management date has been fixed on 25 February 2015.

On 6 March 2015, Kulim wishes to announce that the Trial proceeded on 4 and 5 March, 2015 and was completed. The Court has directed the parties to file written submissions and the suit has been fixed for clarification on 15 May 2015.

The Case has been fixed for decision on 26 June 2015.



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

**B10. Dividend Proposed**

There was no dividend payment proposed during the quarter.

**B11. Earnings Per Share (“EPS”)**

	3 months ended		3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Profit attributable to owners of the company	1,360,502	38,136	1,360,502	38,136
Weighted average no of share in issue	1,327,181	1,278,731	1,327,181	1,278,731
Basic earnings per share (sen)	102.51	2.98	102.51	2.98
Diluted earnings per share (sen)	101.74	2.96	101.74	2.96

**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		Preceding Year Corresponding Quarter	
	Mth-End Rate	Average Rate	Mth-End Rate	Average Rate
Indonesia Rupiah (IDR '000)	0.2840	0.2813	0.2820	0.2761
Papua New Guinea Kina (KINA)	1.3890	1.3586	1.1700	1.2560
United Kingdom Pound Sterling (GBP)	5.4975	5.5473	5.4845	5.4594
United States of America Dollar (USD)	3.7130	3.6383	3.2600	3.2777
Europe (EUR)	4.0230	4.0506	4.5020	4.5195
Singapore Dollar (SGD)	2.6988	2.6713	2.5958	2.5971



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

**B13. Realised and unrealised profits or losses**

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

	As at 31.03.2015 RM'000	As at 31.03.2014 RM'000
The retained earnings of the Group is made up as follows:		
- realised	3,052,689	2,965,387
- unrealised	736,307	(244,782)
	3,788,996	2,720,605
Total share of retained earnings of associates:		
- realised	1,768	1,846
	3,790,764	2,722,451
Add: Consolidation adjustments	(988,773)	(778,855)
Total retained earnings	2,801,991	1,943,596

By Order of the Board  
**KULIM (MALAYSIA) BERHAD**

**IDHAM JIHADI BIN ABU BAKAR, MAICSA 7007381**  
**NURALIZA BINTI A. RAHMAN, MAICSA 7067934**  
(Secretaries)

Dated : 25 May 2015