



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2015



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER TO 30 JUNE 2015**

	3 months ended		6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000 As restated	30.06.2015 RM'000	30.06.2014 RM'000 As restated
Revenue	511,483	265,484	779,653	541,682
Expenses excluding finance cost & tax	(421,704)	(215,633)	(650,071)	(429,007)
Depreciation and amortisation	(30,701)	(10,577)	(62,476)	(42,293)
Other operating income / (loss)	(15,945)	4,060	4,974	4,182
Profit from operations	43,133	43,334	72,080	74,564
Finance cost	(11,026)	(12,320)	(17,947)	(24,563)
Interest income	13,533	2,700	16,023	3,805
Share of profit in associates	182	75	250	182
Profit before taxation	45,822	33,789	70,406	53,988
Income tax expense	(10,608)	(10,293)	(20,162)	(13,497)
Profit from continuing operations	35,214	23,496	50,244	40,491
Discontinued operation				
Profit from discontinued operation, net of tax	(25,800)	146,353	1,310,689	196,072
Profit for the year	9,414	169,849	1,360,933	236,563
Profit attributable to:				
Owners of the company	(1,146)	98,432	1,359,356	136,568
Minority interest	10,560	71,417	1,577	99,995
Profit for the period	9,414	169,849	1,360,933	236,563
Basic earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
From continuing operations	1.88	1.74	2.78	2.76
From discontinued operations	(1.97)	5.95	100.94	7.92

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 SECOND QUARTER TO 30 JUNE 2015**

	3 months ended		6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000 As restated	30.06.2015 RM'000	30.06.2014 RM'000 As restated
Profit for the period	9,414	169,849	1,360,933	236,563
Foreign currency translation differences for foreign operations	(79)	224,642	(10,353)	17,473
Transfer (from) / to:				
- reserve	-	-	-	28
Cash flow hedge	-	(6,081)	(25)	(6,834)
Available for sale reserve	(370)	4,154	1,378	2,837
Total comprehensive income for the period	8,965	392,564	1,351,933	250,067
Total comprehensive income attributable to:				
Owners of the company	(1,566)	222,900	1,356,577	142,581
Minority interest	10,531	169,664	(4,644)	107,486
Total comprehensive income for the period	8,965	392,564	1,351,933	250,067

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 30 JUNE 2015**

	AS AT END OF CURRENT QUARTER 30.06.2015	AS AT FINANCIAL YEAR 31.12.2014 (AUDITED)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	3,713,694	3,517,968
Investment property	110,899	110,768
Investment in associates	2,681	76,522
Other investments	239,116	68,485
Intangible assets:	55,144	33,439
Goodwill	47,301	25,768
Other intangibles	7,843	7,671
Non-current assets	4,121,534	3,807,182
Other investments	19,801	16,839
Inventories	64,392	40,602
Trade and other receivables	503,925	214,405
Derivative financial instruments	2,449	2,449
Tax recoverable	23,972	15,398
Cash and cash equivalents	1,744,347	342,597
	2,358,886	632,290
Assets of disposal group classified as held for sale	-	4,819,085
Current assets	2,358,886	5,451,375
TOTAL ASSETS	6,480,420	9,258,557
EQUITY AND LIABILITIES		
Share capital	335,833	335,626
Share premium	425,492	422,445
Other reserves:	1,313,719	1,372,461
Revaluation and other reserves	1,389,786	1,383,789
Warrant reserve	55,706	55,735
Treasury shares	(131,773)	(67,063)
Revenue reserves	2,796,129	1,943,596
Reserves of disposal group classified as held for sale	-	(51,622)
Equity Attributable to Equity Holders of the Company	4,871,173	4,022,506
Minority Interest	241,567	1,590,197
TOTAL EQUITY	5,112,740	5,612,703
Loans and borrowings	576,330	451,261
Deferred tax liabilities	184,531	185,700
Non current liabilities	760,861	636,961
Trade and other payables	347,836	168,565
Current income tax liabilities	23,790	4,887
Loans and borrowings	235,193	750,924
	606,819	924,376
Liabilities of disposal group classified as held for sale	-	2,084,517
Current liabilities	606,819	3,008,893
TOTAL LIABILITIES	1,367,680	3,645,854
TOTAL EQUITY AND LIABILITIES	6,480,420	9,258,557
NET ASSETS PER SHARE (RM)	3.74	3.03

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 SECOND QUARTER ENDED 30 JUNE 2015**

	← ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY →											
	← NON-DISTRIBUTABLE						RESERVE OF DISPOSAL →				MINORITY INTEREST RM'000	TOTAL EQUITY RM'000
	NO. OF SHARES	NOMINAL VALUE RM'000	TREASURY SHARES RM'000	SHARE PREMIUM RM'000	WARRANT RESERVE RM'000	REVALUATION & OTHER RESERVES RM'000	CLASSIFIED AS HELD FOR SALE RM'000	RETAINED EARNINGS RM'000	TOTAL 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	-	-	-	-	-	6,495	-	-	6,495	10,978	17,473	
Transfer from reserves to retained profit	-	-	-	-	-	28	-	-	28	-	28	
Cash flow hedges	-	-	-	-	-	(3,347)	-	-	(3,347)	(3,487)	(6,834)	
Fair value of available-for-sale financial assets	-	-	-	-	-	2,837	-	-	2,837	-	2,837	
Total other comprehensive income for the year	-	-	-	-	-	6,013	-	-	6,013	7,491	13,504	
Profit for the year	-	-	-	-	-	-	-	136,568	136,568	99,995	236,563	
Total comprehensive income for the year	-	-	-	-	-	6,013	-	136,568	142,581	107,486	250,067	
Warrant exercised	3,240	1	-	11	(2)	-	-	-	10	-	10	
Effect on reserves arising from disposal of subsidiaries	-	-	-	-	-	(24)	-	-	(24)	-	(24)	
Dividend to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	(10,474)	(10,474)	
Exercised of employees share options	176,100	44	-	650	-	(157)	-	-	537	-	537	
Grant of equity - settled share options to employees	-	-	-	-	-	2,438	-	-	2,438	-	2,438	
Acquisition of new subsidiaries	-	-	-	-	-	-	-	-	-	19,072	19,072	
Balance as at 30 June 2014	1,294,232,451	323,558	(67,063)	248,168	90,584	1,288,980	-	2,041,972	3,926,199	1,462,575	5,388,774	
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	-	-	-	-	-	(4,132)	-	-	(4,132)	(6,221)	(10,353)	
Cash flow hedges	-	-	-	-	-	(25)	-	-	(25)	-	(25)	
Fair value of available-for-sale financial assets	-	-	-	-	-	1,378	-	-	1,378	-	1,378	
Total other comprehensive income for the year	-	-	-	-	-	(2,779)	-	-	(2,779)	(6,221)	(9,000)	
Profit for the year	-	-	-	-	-	-	-	1,359,356	1,359,356	1,577	1,360,933	
Total comprehensive income for the year	-	-	-	-	-	(2,779)	-	1,359,356	1,356,577	(4,644)	1,351,933	
Acquisition from non-controlling interest	-	-	-	-	-	80	-	-	80	341	421	
Partial disposal of shares by subsidiary to non-controlling interest	-	-	-	-	-	10	-	-	10	-	10	
Treasury shares acquired	-	-	(64,710)	-	-	-	-	-	(64,710)	-	(64,710)	
Warrant exercised	39,500	10	-	142	(29)	-	-	-	123	-	123	
Exercised of employees share options	787,600	197	-	2,905	-	(701)	-	-	2,401	-	2,401	
Grant of equity - settled share options to employees	-	-	-	-	-	5,261	-	-	5,261	-	5,261	
Dividends to shareholders	-	-	-	-	-	-	-	(500,107)	(500,107)	-	(500,107)	
Dividend to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	(4,000)	(4,000)	-	(4,000)	
Acquisition of new subsidiaries	-	-	-	-	-	1,897	-	(2,716)	(819)	23,345	22,526	
Disposal of subsidiary	-	-	-	-	-	2,229	51,622	-	53,851	(1,367,672)	(1,313,821)	
Balance as at 30 June 2015	1,343,329,656	335,833	(131,773)	425,492	55,706	1,389,786	-	2,796,129	4,871,173	241,567	5,112,740	

(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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2015		
	AS AT 30.06.2015 RM'000	AS AT 30.06.2014 Restated RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- continued operations	70,406	53,988
- discontinued operations	1,313,943	264,024
	1,384,349	318,012
Adjustments for :		
Non-cash item	(1,256,221)	125,052
Operating profit before changes in working capital	128,128	443,064
Changes in working capital:		
Inventories	(23,790)	(101,345)
Receivables	(158,262)	(128,415)
Payables	(56,746)	(27,601)
Cash generated from operations	(110,670)	185,703
Income tax (paid)/refund	(18,418)	338
Net cash (used in)/ generated from operating activities	(129,088)	186,041
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	1,444	(55,335)
Dividends received	1,765	-
Interest received	16,023	3,825
Payment of:		
- deferred farm expenditure	(38,795)	-
- other investments	(56,170)	(2,613)
- property, plant and equipment	(256,045)	(156,964)
Proceeds from:		
- disposal of property, plant and equipment	-	3,095
- disposal of subsidiaries	2,855,120	-
Net cash (used in)/generated from investing activities	2,523,342	(207,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to:		
- shareholders of the Company	(500,107)	-
- non controlling interest of subsidiaries	(4,000)	(10,474)
Proceeds from term loans	13,001	156,243
Repayment of term loans	(439,720)	(216,834)
Proceeds from the issue of shares:		
- ESOS	2,401	537
- Warrants	123	10
Purchased of treasury share	(64,710)	-
Partial disposal of shares to non controlling interest	10	-
Interest paid	(22,393)	(38,254)
Net cash (used in)/generated from financing activities	(1,015,395)	(108,772)
Net (decrease) in cash and cash equivalents	1,378,859	(130,723)
Effect of exchange reserve rate fluctuations on cash held	-	8,516
Cash and cash equivalents at 1 January	345,278	325,377
Cash and cash equivalents	1,724,137	203,170
Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statements comprise the following statement of financial position amounts:		
Cash and bank balances	355,538	116,099
Deposits with licensed banks	1,388,809	132,807
	1,744,347	248,906
Less:		
Deposits pledged	(14,069)	(12,550)
Bank overdraft	(6,141)	(33,186)
	1,724,137	203,170

(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

There were no material unusual items affecting assets, liabilities, equity, net income or cash flow during the financial period under review.

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

No dividend has been paid during the quarter ended 30 June 2015.

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 6 Months Ended 30 June 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
Operating revenue	387,610	35,363	298,674	21,433	4,401	-	32,172	779,653
Segment results	39,936	6,811	38,494	(9,449)	2,441	250	(6,153)	72,330
Interest income	14,952	39	-	13	2	-	1,017	16,023
Finance costs	(10,497)	(291)	(7,034)	(22)	-	-	(103)	(17,947)
Profit before tax	44,391	6,559	31,460	(9,458)	2,443	250	(5,239)	70,406
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Results for 6 Months Ended 30 June 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
Operating revenue	408,037	40,922	78,491	3,983	4,354	-	5,895	541,682
Segment results	82,707	4,636	18,191	(3,115)	1,626	182	(29,481)	74,746
Interest income	2,228	34	990	5	2	-	546	3,805
Finance costs	(17,159)	(418)	(6,888)	(6)	-	-	(92)	(24,563)
Profit before tax	67,776	4,252	12,293	(3,116)	1,628	182	(29,027)	53,988



KULIM (MALAYSIA) BERHAD

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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 30 June 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
Operating revenue	241,097	16,830	219,852	18,681	2,269	-	12,754	511,483
Segment results	31,309	2,707	28,901	(255)	1,475	182	(21,004)	43,315
Interest income	13,225	14	(10)	9	1	-	294	13,533
Finance costs	(4,973)	(138)	(5,813)	(10)	-	-	(92)	(11,026)
Profit before tax	39,561	2,583	23,078	(256)	1,476	182	(20,802)	45,822
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Results for 3 Months Ended 30 June 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
Operating revenue	197,197	27,278	40,962	1,817	2,086	-	(3,856)	265,484
Segment results	49,852	1,354	7,700	(2,124)	736	75	(14,184)	43,409
Interest income	1,284	20	855	5	-	-	536	2,700
Finance costs	(8,951)	(292)	(3,072)	(2)	-	-	(3)	(12,320)
Profit before tax	42,185	1,082	5,483	(2,121)	736	75	(13,651)	33,789



KULIM (MALAYSIA) BERHAD

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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 30 June 2015								
Segment assets	4,863,235	206,747	859,940	33,497	110,768	2,681	168,665	6,245,533
Unallocated corporate assets	-	-	-	-	-	-	234,887	234,887
Total assets	4,863,235	206,747	859,940	33,497	110,768	2,681	403,552	6,480,420
Segment liabilities	350,333	66,832	555,121	27,462	-	-	159,620	1,159,368
Unallocated corporate liabilities	-	-	-	-	-	-	208,312	208,312
Total liabilities	350,333	66,832	555,121	27,462	-	-	367,932	1,367,680

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
Total assets	3,353,979	231,062	677,566	27,137	110,768	76,522	4,781,523	9,258,557
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
Total liabilities	1,045,968	95,414	398,527	28,128	-	-	2,077,817	3,645,854



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

None.

A12. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period under review.

A13. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities and contingent assets during the financial period under review.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134****A14. Capital Commitment**

Authorised capital expenditures not provided for in the financial statements as at 30 June 2015 are as follows:

	30.06.2015 RM'000
Contracted	90,596
Not contracted	27,062
Total	117,658

A15. Impairment of Assets

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

As at the reporting date for this period ended, the group has recognized impairment amounting to RM7 million.

A16. Related Party Disclosures

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

	3 months ended		6 months ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM '000	RM '000	RM '000	RM '000
Group				
Ultimate holding corporation				
Johor Corporation				
- Agency fee received	410	127	821	161
- Purchasing and sales commission received	19	45	29	397
- Planting advisory and agronomy fee received	171	22	341	43
- Computer charged received	871	5	1,980	45
- Inspection fee received	-	8	-	15
- Rental payable	157	157	314	442



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's recorded revenue of RM779.65 million for the cumulative quarters under review compared to the corresponding period 2014 with revenue of RM541.68 million, an increase of 43.93%.

The Group's recorded a PBT of RM70.41 million for the cumulative quarters 2015 compared to PBT of RM53.99 million for the corresponding period in 2014, an increase of 30.41%.

Plantation Operation - Malaysia

The revenue for the Plantation business was at RM387.61 million for the cumulative quarters 2015, a decrease of 5.01% as compared to the corresponding period in 2014.

The profit before tax for Plantation business decreased to RM44.39 million for the cumulative quarters under review, a decrease by 34.50% compared to the corresponding period in 2014.

The lower revenue and profit before tax for the cumulative quarters was mainly due to lower CPO and PK price by 12.27% and 22.46% respectively.

The Group's FFB production for the second quarter 2015 was at 226,192mt compared to the corresponding period in 2014 at 196,627mt an increase of 15.04%.

The Group's cumulative FFB production for the cumulative quarters ending June 2015 was at 393,985mt. This was 5.34% higher compared to the FFB production for the corresponding period in 2014 at 374,025mt.

The Group's CPO production for the second quarter 2015 was at 78,847mt compared to the corresponding period in 2014 at 62,754mt an increase of 25.64%.

The Group's cumulative CPO production for the cumulative quarters ending June 2015 was at 131,272mt. This was 6.97% higher compared to the CPO production for the corresponding period in 2014 at 122,718mt.

The Group's OER for the cumulative quarters 2015 was marginally higher at 20.85% compared to 20.46% for the corresponding period 2014.

Total FFB processed by the Group mills for the cumulative quarters 2015 was at 629,557mt which was 6.33% higher compared to the corresponding period 2014 at 592,068mt. Total FFB processed was inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved average CPO price of RM2,267 and PK at RM1,557 per mt respectively for the cumulative quarters 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 of the IV businesses was at RM35.36 million for the cumulative quarters 2015, a decrease of 13.58% as compared to the corresponding period in 2014.

The profit before tax of IV businesses increased to RM6.56 million for the cumulative quarters under review, an increase by 54.26% compared to the corresponding period in 2014. The significant increase is mainly contributed from Extreme Edge Sdn Bhd arising from new contracts secured for the Integrated System Development for KARA Holdings Sdn Bhd and Upgrade SAP system for Johor Corporation.

Oil and Gas Support Services

The revenue of oil and gas support services mainly from E.A Technique (M) Bhd increased to RM298.67 million for the cumulative quarters under review, an increase by 280.52% compared to the corresponding period in 2014.

This segment recorded the profit before tax of RM31.46 million for the cumulative quarters under review, an increase by 155.92% compared to the corresponding quarter last year. The significant increase is mainly contributed from E.A Technique (M) Bhd arising from new contract secured for the Engineering, Procurement, Construction, Installation and Commissioning (“EPCIC”) of a Floating Storage Offloading (“FSO”) facility for Full Field Development (“FFD”) project, North Malay Basin. The contract value is USD191.80 million for 20 months period with 24 months warranty period.

B2. Material Changes in the Quarterly Results

The Oil Palm sector recorded lower profits for the second quarter 2015 mainly due to lower average price of CPO and PK compared to the corresponding period in 2014.

B3. Current Year Prospects

The Group expects to achieve improved FFB, CPO and PK productions compared to 2014. The outlook for oil palm prices is still stable albeit at lower level. With improved productivity and greater cost efficiency notwithstanding the challenges in the financial year 2015, the Group is confident it would be able to mitigate the decline in product prices. Hence, the Group continues to expect respectable results from plantations.

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

The Group also foresee encouraging results arising from E.A Technique (M) Bhd under Oil and Gas support services segment arising from new contract secured amounting to USD191.80 million for 20 months period with 24 months warranty period.

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		6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Current Taxation				
- Malaysia	(11,988)	(13,410)	(21,331)	(16,614)
	(11,988)	(13,410)	(21,331)	(16,614)
Transfer to deferred taxation				
- Malaysia	1,380	3,117	1,169	3,117
Total	(10,608)	(10,293)	(20,162)	(13,497)

B6. Other operating income / (expenses)

	3 months ended		6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Impairment of assets	(104)	-	(7,008)	-
Foreign exchange gain or loss	(8,789)	(136)	12,462	(304)
Rental income	140	317	213	513
Amortisation of revaluation surplus	(2,161)	(2,564)	(4,322)	(5,127)
Government grant	459	647	1,025	1,294
Miscellaneous income / (expenses)	(5,490)	5,796	2,604	7,806
Total other operating income / (losses)	(15,945)	4,060	4,974	4,182



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:

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.

On 1 June 2015, the company announced that the Parties had mutually agreed to extend the Condition Precedent (“CP”) period for five (5) months from 7 June 2015 to 7 November 2015.

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**

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
Non-current		
Secured:		
Obligations under finance leases	3,219	2,980
Term loans	436,273	283,943
	439,492	286,923
Unsecured:		
Term loans	136,838	164,338
	136,838	164,338
Non-current loans and borrowings	576,330	451,261
Current		
Secured:		
Obligations under finance leases	1,410	1,130
Bank overdrafts	1,434	1,472
Revolving credit	6,400	176,400
Bankers' acceptances	2,675	660
Term loans	38,726	41,293
	50,645	220,955
Unsecured:		
Bank overdrafts	4,707	6,303
Revolving credit	124,841	468,666
Term loans	55,000	55,000
	184,548	529,969
Current loans and borrowings	235,193	750,924
Total loans and borrowings	811,523	1,202,185



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 announced 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.

**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 (continued)**

On 29 June 2015, Kulim announced that the High Court had dismissed the Claim filed by the Plaintiff against the First and Second Defendants at the costs amounting to RM30,000.

B10. Dividend Proposed

There were no dividend proposed during the quarter.

B11. Earnings Per Share (“EPS”)

	3 months ended		6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Profit attributable to owners of the company	(1,146)	98,432	1,359,356	136,568
Weighted average no of share in issue	1,310,571	1,278,891	1,310,571	1,278,891
Basic earnings per share (sen)	(0.09)	7.70	103.72	10.68

B12. Currency Translation

The exchange rates used for each unit of the currencies in the Group for the current financial period are:

	Current Quarter 2015		Corresponding Quarter 2014	
	30.06.2015		30.06.2014	
	Mth-End Rate	Average Rate	Mth-End Rate	Average Rate
Indonesia Rupiah (IDR '000)	0.2800	0.2804	0.2675	0.2689
United Kingdom Pound Sterling (GBP)	5.9345	5.6889	5.4710	5.4527
United States of America Dollar (USD)	3.7758	3.6356	3.2115	3.2534
Europe (EUR)	4.1890	4.2165	4.3820	4.4595
Singapore Dollar (SGD)	2.7953	2.7190	2.5708	2.5846



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 :-

The retained earnings of the Group is made up as follows:

- realised
- unrealised

Total share of retained earnings of associates:

- realised

Add: Consolidation adjustments

Total retained earnings

As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
3,043,573	2,965,387
585,501	(244,782)
3,629,074	2,720,605
2,131	1,846
3,631,205	2,722,451
(835,076)	(778,855)
2,796,129	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 August 2015