



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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER TO 30 SEPTEMBER 2015**

	<b>3 months ended</b>		<b>9 months ended</b>	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
		As restated		As restated
Revenue	406,965	263,592	1,186,618	811,525
Expenses excluding finance cost & tax	(333,060)	(204,064)	(983,109)	(622,894)
Depreciation and amortisation	(33,166)	(30,907)	(95,664)	(86,880)
Other operating income / (loss)	44,960	(4,678)	49,934	(215)
<b>Profit from operations</b>	<b>85,699</b>	<b>23,943</b>	<b>157,779</b>	<b>101,536</b>
Finance cost	(8,574)	(12,641)	(26,521)	(37,204)
Interest income	14,017	3,928	30,040	7,733
Share of profit in associates	(1,158)	25	(908)	207
<b>Profit before taxation</b>	<b>89,984</b>	<b>15,255</b>	<b>160,390</b>	<b>72,272</b>
Income tax expense	(662)	(5,577)	(20,824)	(9,882)
<b>Profit from continuing operations</b>	<b>89,322</b>	<b>9,678</b>	<b>139,566</b>	<b>62,390</b>
Discontinued operation				
Profit from discontinued operation, net of tax	-	19,357	1,310,689	203,208
<b>Profit for the year</b>	<b>89,322</b>	<b>29,035</b>	<b>1,450,255</b>	<b>265,598</b>
Profit attributable to:				
Owners of the company	86,887	17,681	1,446,243	154,249
Minority interest	2,435	11,354	4,012	111,349
<b>Profit for the period</b>	<b>89,322</b>	<b>29,035</b>	<b>1,450,255</b>	<b>265,598</b>
Basic earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
From continuing operations	6.71	0.80	9.52	4.52
From discontinued operations	-	0.58	102.10	7.54

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



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER TO 30 SEPTEMBER 2015**

	<b>3 months ended</b>		<b>9 months ended</b>	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
		As restated		As restated
Profit for the period	89,322	29,035	1,450,255	265,598
Foreign currency translation differences for foreign operations	(11,201)	(19,092)	(21,554)	(1,619)
Transfer (from) / to:				
- reserve	-	-	-	28
Cash flow hedge	-	(202)	(25)	(7,036)
Available for sale reserve	(1,517)	648	(139)	3,485
<b>Total comprehensive income for the period</b>	<b>76,604</b>	<b>10,389</b>	<b>1,428,537</b>	<b>260,456</b>
Total comprehensive income attributable to:				
Owners of the company	93,261	10,606	1,449,838	153,187
Minority interest	(16,657)	(217)	(21,301)	107,269
<b>Total comprehensive income for the period</b>	<b>76,604</b>	<b>10,389</b>	<b>1,428,537</b>	<b>260,456</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 30 SEPTEMBER 2015**

	AS AT END OF CURRENT QUARTER 30.09.2015	AS AT FINANCIAL YEAR 31.12.2014 (AUDITED)
	RM'000	RM'000
<b>ASSETS</b>		
Property, plant and equipment	3,709,113	3,517,968
Investment property	110,899	110,768
Investment in associates	86,598	76,522
Other investments	57,576	68,485
Intangible assets:	34,976	33,439
Goodwill	27,659	25,768
Other intangibles	7,317	7,671
<b>Non-current assets</b>	<b>3,999,162</b>	<b>3,807,182</b>
Other investments	19,521	16,839
Inventories	76,349	40,602
Trade and other receivables	614,861	214,405
Derivative financial instruments	2,449	2,449
Tax recoverable	32,064	15,398
Cash and cash equivalents	1,797,225	342,597
	2,542,469	632,290
Assets of disposal group classified as held for sale	-	4,819,085
<b>Current assets</b>	<b>2,542,469</b>	<b>5,451,375</b>
<b>TOTAL ASSETS</b>	<b>6,541,631</b>	<b>9,258,557</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	335,833	335,626
Share premium	425,492	422,445
Other reserves:	1,221,879	1,372,461
Revaluation and other reserves	1,396,902	1,383,789
Warrant reserve	55,706	55,735
Treasury shares	(230,729)	(67,063)
Revenue reserves	2,885,732	1,943,596
Reserves of disposal group classified as held for sale	-	(51,622)
Equity Attributable to Equity Holders of the Company	4,868,936	4,022,506
Minority Interest	225,042	1,590,197
<b>TOTAL EQUITY</b>	<b>5,093,978</b>	<b>5,612,703</b>
Loans and borrowings	579,038	451,261
Deferred tax liabilities	177,131	185,700
<b>Non current liabilities</b>	<b>756,169</b>	<b>636,961</b>
Trade and other payables	358,279	168,565
Current income tax liabilities	16,714	4,887
Loans and borrowings	316,491	750,924
	691,484	924,376
Liabilities of disposal group classified as held for sale	-	2,084,517
<b>Current liabilities</b>	<b>691,484</b>	<b>3,008,893</b>
<b>TOTAL LIABILITIES</b>	<b>1,447,653</b>	<b>3,645,854</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,541,631</b>	<b>9,258,557</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>3.84</b>	<b>3.03</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 THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	← ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY →										
	← NON-DISTRIBUTABLE						RESERVE OF DISPOSAL →				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	CLASSIFIED AS HELD FOR SALE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	MINORITY INTEREST 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	-	-	-	-	-	(1,129)	-	-	(1,129)	(490)	(1,619)
Transfer from reserves to retained profit	-	-	-	-	-	28	-	-	28	-	28
Cash flow hedges	-	-	-	-	-	(3,446)	-	-	(3,446)	(3,590)	(7,036)
Fair value of available-for-sale financial assets	-	-	-	-	-	3,485	-	-	3,485	-	3,485
Total other comprehensive income for the year	-	-	-	-	-	(1,062)	-	-	(1,062)	(4,080)	(5,142)
Profit for the year	-	-	-	-	-	-	-	154,249	154,249	111,349	265,598
Total comprehensive income for the year	-	-	-	-	-	(1,062)	-	154,249	153,187	107,269	260,456
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	-	-	-	-	-	-	-	-	-	(10,697)	(10,697)
Grant of equity - settled share options to employees	-	-	-	-	-	15,198	-	-	15,198	-	15,198
Exercised of employees share options	375,500	94	-	1,386	-	(334)	-	-	1,146	-	1,146
Acquisition of new subsidiaries	-	-	-	-	-	-	-	753	753	21,445	22,198
Balance as at 30 September 2014	1,294,431,851	323,608	(67,063)	248,904	90,584	1,294,488	-	2,060,406	3,950,927	1,464,508	5,415,435
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	-	-	-	-	-	3,759	-	-	3,759	(25,313)	(21,554)
Cash flow hedges	-	-	-	-	-	(25)	-	-	(25)	-	(25)
Fair value of available-for-sale financial assets	-	-	-	-	-	(139)	-	-	(139)	-	(139)
Total other comprehensive income for the year	-	-	-	-	-	3,595	-	-	3,595	(25,313)	(21,718)
Profit for the year	-	-	-	-	-	-	-	1,446,243	1,446,243	4,012	1,450,255
Total comprehensive income for the year	-	-	-	-	-	3,595	-	1,446,243	1,449,838	(21,301)	1,428,537
Acquisition from non-controlling interest	-	-	-	-	-	88	-	-	88	473	561
Partial disposal of shares by subsidiary to non-controlling interest	-	-	-	-	-	10	-	-	10	-	10
Treasury shares acquired	-	-	(163,666)	-	-	-	-	-	(163,666)	-	(163,666)
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	-	-	-	-	-	7,893	-	-	7,893	-	7,893
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	-	-	-	-	-	-	-	-	-	23,345	23,345
Disposal of subsidiary	-	-	-	-	-	2,228	51,622	-	53,850	(1,367,672)	(1,313,822)
Balance as at 30 September 2015	1,343,329,656	335,833	(230,729)	425,492	55,706	1,396,902	-	2,885,732	4,868,936	225,042	5,093,978

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2015</b>		
	<b>AS AT 30.09.2015  RM'000</b>	<b>AS AT 30.09.2014 Restated RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		
- continued operations	160,390	72,272
- discontinued operations	1,313,943	284,689
	1,474,333	356,961
Adjustments for :		
Non-cash item	(1,266,099)	231,144
<b>Operating profit before changes in working capital</b>	<b>208,234</b>	<b>588,105</b>
Changes in working capital:		
Inventories	(1,815)	46,344
Receivables	(105,981)	(149,832)
Payables	154,750	(18,912)
Cash generated from operations	255,188	465,705
Income tax (paid)/refund	(25,827)	(76,344)
<b>Net cash (used in)/ generated from operating activities</b>	<b>229,361</b>	<b>389,361</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash acquired	432	(55,335)
Dividends received	(1,828)	-
Interest received	30,040	7,762
Net cash inflow on disposal of subsidiaries	2,668,283	-
Payment of:		
- deferred farm expenditure	(47,207)	(38,794)
- other investments	(53,172)	(4,297)
- property, plant and equipment	(275,044)	(285,442)
- Equity interest in subsidiaries	(3,181)	-
- intangible assets	-	(22,628)
Proceeds from:		
- disposal of property, plant and equipment	-	3,095
- disposal of other investment	2,100	-
<b>Net cash (used in)/generated from investing activities</b>	<b>2,320,423</b>	<b>(395,639)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to:		
- shareholders of the Company	(500,107)	-
- non controlling interest of subsidiaries	(4,000)	(10,697)
Proceeds from term loans	242,415	178,951
Repayment of term loans	(666,807)	(231,912)
Proceeds from the issue of shares:		
- ESOS	2,401	1,146
- Warrants	123	10
Purchased of treasury share	(163,666)	-
Partial disposal of shares to non controlling interest	10	-
Interest paid	(30,967)	(57,828)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,120,598)</b>	<b>(120,330)</b>
Net (decrease) in cash and cash equivalents	1,429,186	(126,608)
Effect of exchange reserve rate fluctuations on cash held	-	8,516
Cash and cash equivalents at 1 January	345,278	325,377
<b>Cash and cash equivalents</b>	<b>1,774,464</b>	<b>207,285</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	216,737	136,799
Deposits with licensed banks	1,580,488	119,622
	1,797,225	256,421
Less:		
Deposits pledged	(14,069)	(12,550)
Bank overdraft	(8,692)	(36,586)
	1,774,464	207,285
(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 September 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 9 Months Ended 30 September 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>685,823</b>	<b>46,722</b>	<b>401,681</b>	<b>5,607</b>	<b>5,699</b>	<b>-</b>	<b>41,086</b>	<b>1,186,618</b>
<b>Segment results</b>	<b>55,085</b>	<b>7,705</b>	<b>38,793</b>	<b>(8,186)</b>	<b>3,154</b>	<b>(908)</b>	<b>61,228</b>	<b>156,871</b>
Interest income	28,369	76	-	14	2	-	1,579	30,040
Finance costs	(13,027)	(721)	(12,694)	-	-	-	(79)	(26,521)
<b>Profit before tax</b>	<b>70,427</b>	<b>7,060</b>	<b>26,099</b>	<b>(8,172)</b>	<b>3,156</b>	<b>(908)</b>	<b>62,728</b>	<b>160,390</b>
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Results for 9 Months Ended 30 September 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>593,998</b>	<b>56,251</b>	<b>132,417</b>	<b>7,050</b>	<b>6,659</b>	<b>-</b>	<b>15,150</b>	<b>811,525</b>
<b>Segment results</b>	<b>143,120</b>	<b>6,889</b>	<b>20,742</b>	<b>(4,593)</b>	<b>2,514</b>	<b>207</b>	<b>(67,136)</b>	<b>101,743</b>
Interest income	310	57	1,505	-	-	-	5,861	7,733
Finance costs	(25,421)	(920)	(10,783)	-	-	-	(80)	(37,204)
<b>Profit before tax</b>	<b>118,009</b>	<b>6,026</b>	<b>11,464</b>	<b>(4,593)</b>	<b>2,514</b>	<b>207</b>	<b>(61,355)</b>	<b>72,272</b>



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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 September 2015	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
<b>Operating revenue</b>	<b>298,213</b>	<b>11,359</b>	<b>103,008</b>	<b>2,199</b>	<b>1,298</b>	<b>-</b>	<b>(9,112)</b>	<b>406,965</b>
<b>Segment results</b>	<b>20,437</b>	<b>894</b>	<b>300</b>	<b>1,263</b>	<b>713</b>	<b>(1,158)</b>	<b>62,092</b>	<b>84,541</b>
Interest income	13,417	37	-	1	-	-	562	14,017
Finance costs	(2,530)	(338)	(5,660)	-	-	-	(46)	(8,574)
<b>Profit before tax</b>	<b>31,324</b>	<b>593</b>	<b>(5,360)</b>	<b>1,264</b>	<b>713</b>	<b>(1,158)</b>	<b>62,608</b>	<b>89,984</b>
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Results for 3 Months Ended 30 September 2014	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
<b>Operating revenue</b>	<b>178,021</b>	<b>18,320</b>	<b>53,926</b>	<b>3,068</b>	<b>2,305</b>	<b>-</b>	<b>7,952</b>	<b>263,592</b>
<b>Segment results</b>	<b>51,955</b>	<b>108</b>	<b>3,551</b>	<b>(4,593)</b>	<b>897</b>	<b>25</b>	<b>(27,975)</b>	<b>23,968</b>
Interest income	103	23	515	-	-	-	3,287	3,928
Finance costs	(8,220)	(496)	(3,895)	-	-	-	(30)	(12,641)
<b>Profit before tax</b>	<b>43,838</b>	<b>(365)</b>	<b>171</b>	<b>(4,593)</b>	<b>897</b>	<b>25</b>	<b>(24,718)</b>	<b>15,255</b>



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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
<b>As at 30 September 2015</b>								
Segment assets	5,098,707	58,363	864,712	34,689	110,768	2,685	318,389	6,488,313
Unallocated corporate assets	-	-	-	-	-	-	53,318	53,318
<b>Total assets</b>	<b>5,098,707</b>	<b>58,363</b>	<b>864,712</b>	<b>34,689</b>	<b>110,768</b>	<b>2,685</b>	<b>371,707</b>	<b>6,541,631</b>
Segment liabilities	415,121	72,418	576,504	31,419	-	-	158,357	1,253,819
Unallocated corporate liabilities	-	-	-	-	-	-	193,834	193,834
<b>Total liabilities</b>	<b>415,121</b>	<b>72,418</b>	<b>576,504</b>	<b>31,419</b>	<b>-</b>	<b>-</b>	<b>352,191</b>	<b>1,447,653</b>
Assets and Liabilities	Plantation	Intrapreneur Ventures (IV)	Oil & Gas support services	Agro-Foods	Investment property	Associated company	Others	Consolidated
As at 31 December 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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**

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 September 2015 are as follows:

	30.09.2015 RM'000
Contracted	75,358
Not contracted	23,431
<b>Total</b>	<b>98,789</b>

**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		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM '000	RM '000	RM '000	RM '000
<b>Johor Corporation Group of Companies</b>				
- Agency fee received	284	1,104	1,104	1,265
- Purchasing and sales commission received	14	(59)	43	45
- Planting advisory and agronomy fee received	118	483	459	526
- Computer charged received	511	1,116	2,491	1,161
- Rental payable	187	202	501	644



**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 RM1.19 billion for the cumulative quarters under review compared to the corresponding period 2014 with revenue of RM811.52 million, an increase of 46.22%.

The Group's recorded a PBT of RM160.39 million for the cumulative quarters 2015 compared to PBT of RM72.27 million for the corresponding period in 2014, an increase of 121.93%.

**Plantation Operation - Malaysia**

The revenue for the Plantation business was at RM685.82 million for the cumulative quarters 2015, an increase of 15.46% as compared to the corresponding period in 2014.

The profit before tax for Plantation business decreased to RM70.43 million for the cumulative quarters under review, a decrease of 40.32% compared to the corresponding period in 2014.

The lower profit before tax for the cumulative quarters was mainly due to lower CPO and PK price by 10.46% and 10.43% respectively.

The Group's FFB production for the third quarter 2015 was at 261,937mt compared to the corresponding period in 2014 at 248,135mt an increase of 5.56%.

The Group's cumulative FFB production for the cumulative quarters ending September 2015 was at 655,922mt. This was 5.43% higher compared to the FFB production for the corresponding period in 2014 at 622,160mt.

The Group's CPO production for the third quarter 2015 was at 85,269mt compared to the corresponding period in 2014 at 69,944mt an increase of 21.91%.

The Group's cumulative CPO production for the cumulative quarters ending September 2015 was at 216,541mt. This was 12.39% higher compared to the CPO production for the corresponding period in 2014 at 192,662mt.

The Group's OER for the cumulative quarters 2015 was marginally higher at 20.85% compared to 20.54% for the corresponding period 2014.

Total FFB processed by the Group mills for the cumulative quarters 2015 was at 1,038,791mt which was 10.75% higher compared to the corresponding period 2014 at 937,977mt. Total FFB processed was inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved average CPO price of RM2,208 and PK at RM1,537 per mt respectively for the cumulative quarters 2015 compared to RM2,466 and RM1,716 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 RM46.72 million for the cumulative quarters 2015, a decrease of 16.94% as compared to the corresponding period in 2014.

The profit before tax of IV businesses increased to RM7.06 million for the cumulative quarters under review, an increase of 17.16% compared to the corresponding period in 2014. The significant increase is mainly contributed from Extreme Edge Sdn Bhd Group 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 increased to RM401.68 million for the cumulative quarters under review, an increase of 203.35% compared to the corresponding period in 2014.

This segment recorded profit before tax of RM26.10 million for the cumulative quarters under review, an increase of 127.66% compared to the corresponding quarter last year. The significant increase in revenue and PBT are mainly contributed from E.A Technique (M) Bhd due to recognition of revenue from Engineering, Procurement, Construction, Installation and Commissioning (“EPCIC”) project which was secured at the end of last year and Floating Storage Offloading (“FSO”) Nautica Tembikai which was delivered to an oil field in July 2015

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

The Oil Palm sector recorded lower profits for the third 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’s performance in the remaining period of the year will be significantly influenced by the direction of palm oil prices and crop production trends. To enhance competitiveness of the group, the plantation division intensified further its efforts to improve operational productivity and cost efficiency initiated last year to offset any further weakening in the commodity prices.

The IV division’s performance is expected to maintain similar result as per 2014.

The Group also foresee encouraging results 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 with 24 months warranty period.

Despite the challenges in the current financial year the Board expects the Group’s performance for the remaining quarter to be satisfactory.



**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B4. Profit Forecast/Profit Guarantee**

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

**B5. Taxation**

	3 months ended		9 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Current Taxation				
- Malaysia	(8,062)	(3,090)	(29,393)	(8,281)
	(8,062)	(3,090)	(29,393)	(8,281)
Transfer to deferred taxation				
- Malaysia	7,400	(2,487)	8,569	(1,601)
Total	(662)	(5,577)	(20,824)	(9,882)

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

	3 months ended		9 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Impairment of assets	104	-	(6,904)	-
Unrealised foreign exchange gain/( losses)	48,815	-	53,815	-
Realised foreign exchange gain/( losses)	9,109	60	16,571	(244)
Rental income	41	166	254	679
Amortisation of revaluation surplus	(2,161)	(2,563)	(6,483)	(7,690)
Government grant	1,003	662	2,028	1,956
Miscellaneous income / (expenses)	(11,951)	(3,003)	(9,347)	5,084
Total other operating income / (losses)	44,960	(4,678)	49,934	(215)



**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 27 August 2014, the company announced that it had entered into the following:-

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.

2. 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.

On 11 November 2015, the company announced that the Parties had mutually agreed to extend the CP period for another six (6) months from 7 November 2015 to 6 May 2016. Nonetheless, all other terms, conditions and provisions of the CSSPA remain unchanged. The Company is in the midst of completing the conditions precedent as defined in the respective agreements in relation to the acquisition.

3. On 5 November 2015, the company announced that the Board of Directors ("Board") of Kulim had received a letter from its major shareholder, Johor Corporation and parties acting in concert, requesting for the Company to undertake a selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("Act") ("Offer" or "Proposed SCR"). The Proposed SCR entails a capital repayment of the proposed cash amount of RM4.10 per ordinary share of RM0.25 each in Kulim held by the entitled shareholders of Kulim on an entitlement date to be determined later.



**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 (continued)**

**Announcement made by Kulim (Malaysia) Berhad (continued)**

The Offer will remain open for the Board's acceptance until 5.00 p.m. on 20 November 2015. The non-interested directors will deliberate on the Proposed SCR and upon consultation with an Independent Adviser to be appointed will decide on the next course of action. Accordingly, a further announcement will be made in due course.

On 18 November 2015, the company announced that the Board, save for the Interested Directors, had at a meeting held on 17 November 2015 deliberated on the contents of the Offer Letter and has decided to present the Proposed SCR to the shareholders of Kulim for their consideration.

**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 30.09.2015 RM'000</b>	<b>As at 31.12.2014 RM'000</b>
<b>Non-current</b>		
<b>Secured:</b>		
Obligations under finance leases	2,772	2,980
Term loans	453,178	283,943
	<b>455,950</b>	<b>286,923</b>
<b>Unsecured:</b>		
Term loans	123,088	164,338
	<b>123,088</b>	<b>164,338</b>
<b>Non-current loans and borrowings</b>	<b>579,038</b>	<b>451,261</b>
<b>Current</b>		
<b>Secured:</b>		
Obligations under finance leases	1,376	1,130
Bank overdrafts	6,053	1,472
Revolving credit	6,400	176,400
Bankers' acceptances	3,153	660
Term loans	56,514	41,293
	<b>73,496</b>	<b>220,955</b>
<b>Unsecured:</b>		
Bank overdrafts	2,639	6,303
Bankers' acceptances	1,093	-
Revolving credit	184,263	468,666
Term loans	55,000	55,000
	<b>242,995</b>	<b>529,969</b>
<b>Current loans and borrowings</b>	<b>316,491</b>	<b>750,924</b>
<b>Total loans and borrowings</b>	<b>895,529</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 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.

On 25 August, Kulim announced that the Plaintiff has filed an Appeal against the decision of the High Court dated 26 June 2015. The Appeal has been fixed for case management on 29 September 2015. Nonetheless, the hearing date for the Appeal is yet to be fixed.

On 30 September 2015, Kulim announced that the Plaintiff appeal against the High Court Order dated 26 June 2015 has been fixed for case management on 3 November 2015.

On 5 November 2015, Kulim announced that the Plaintiff appeal against the High Court Order dated 26 June 2015 has been fixed for case management on 8 December 2015 to enable the plaintiff to file the Notice of Discontinuance.

**B10. Dividend Proposed**

There was no dividend proposed during the quarter.

**B11. Earnings Per Share (“EPS”)**

	3 months ended		9 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Profit attributable to owners of the company	86,887	17,681	1,446,243	154,249
Weighted average no of share in issue	1,295,688	1,278,891	1,295,688	1,278,891
Basic earnings per share (sen)	6.71	1.38	111.62	12.06

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****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	
	30.09.2015		30.09.2014	
	Mth-End Rate	Average Rate	Mth-End Rate	Average Rate
Indonesia Rupiah (IDR '000)	0.3025	0.2915	0.2695	0.2948
United Kingdom Pound Sterling (GBP)	6.7320	6.2105	5.4710	5.3683
United States of America Dollar (USD)	4.4425	4.0391	3.2115	3.2350
Europe (EUR)	5.0020	4.6093	4.3820	4.3895
Singapore Dollar (SGD)	3.1140	2.9165	2.5708	2.5805

**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 30.09.2015 RM'000	As at 31.12.2014 RM'000
The retained earnings of the Group is made up as follows:		
- realised	3,088,338	2,965,387
- unrealised	634,341	(244,782)
	3,722,679	2,720,605
Total share of retained earnings of associates:		
- realised	977	1,846
	3,723,656	2,722,451
Add: Consolidation adjustments	(837,924)	(778,855)
Total retained earnings	2,885,732	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 November 2015