

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Consolidated Statement Of Comprehensive Income
For the Financial Year Ended 30 June 2012
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 12 months ended	
		30.06.12 RM'000	30.06.11 RM'000	30.06.12 RM'000	30.06.11 RM'000
Revenue	4	1,520	1,920	7,163	7,577
Other Income		-	(3)	1	(2)
Changes in Inventories		-	(186)	(7)	(14)
Staff Costs		(143)	(69)	(550)	(519)
Depreciation		(10)	(8)	(34)	(30)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(434)	(731)	(1,846)	(1,659)
Foreign Exchange Gain / (Loss)		11	497	(361)	2,015
Other Expenses		(428)	(233)	(1,606)	(1,525)
Profit from Operations	4	516	1,187	2,760	5,843
Share of Profit of Associates		2,010	3,424	4,671	10,179
Profit before tax		2,526	4,611	7,431	16,022
Income tax expense	21	(123)	(324)	(664)	(761)
Profit after tax		2,403	4,287	6,767	15,261
<u>Other Comprehensive Income</u>					
Available-for-sale investments: (Loss) / Gain on fair value changes		(1,405)	516	(3,644)	4,523
Foreign currency translation		1,865	3	2,468	(3,057)
Share of other comprehensive income of Associates		(2,289)	2,797	(10,180)	(796)
Other comprehensive income for the year, net of tax		(1,829)	3,316	(11,356)	670
Total comprehensive income for the year		574	7,603	(4,589)	15,931
Earnings per share attributable to equity holders:					
Basic (Sen)	26(a)	3.99	7.12	11.24	25.35
Diluted (Sen)	26(b)	3.99	7.12	11.24	25.35

The consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)

(Incorporated in Malaysia)

Consolidated Statement of Financial Position**As at 30 June 2012**

	(Unaudited) As at 30.06.12 RM'000	(Audited) As at 30.6.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,704	73,713
Biological assets	336	336
Investment in associates	232,654	238,954
Available-for-sale investments	36,952	36,096
	<u>343,646</u>	<u>349,099</u>
Current assets		
Inventories	11	18
Trade and other receivables	425	455
Tax recoverable	68	36
Cash and bank balances	44,373	44,112
	<u>44,877</u>	<u>44,621</u>
TOTAL ASSETS	<u>388,523</u>	<u>393,720</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,191	60,191
Reserves	326,424	331,690
	<u>386,615</u>	<u>391,881</u>
Non-current liabilities		
Deferred tax liability	11	11
Provision for retirement benefits	92	80
	<u>103</u>	<u>91</u>
Current liabilities		
Trade and other payables	1,805	1,748
Tax payable	-	-
	<u>1,805</u>	<u>1,748</u>
Total liabilities	<u>1,908</u>	<u>1,839</u>
TOTAL EQUITY AND LIABILITIES	<u>388,523</u>	<u>393,720</u>

The consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Consolidated Statement of Changes in Equity
For the Financial Year Ended 30 June 2012
(The figures have not been audited)

	← Non-Distributable →					← Distributable →			
	Share Capital RM'000	Capital Reserves RM'000	Share of associated companies reserve RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Cultivation and Replacement Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Opening balance at 1 July 2011	60,191	25,710	188,769	19,712	(5,054)	2,307	10,000	90,246	391,881
Total comprehensive income for the year	-	-	(10,180)	(3,644)	2,468	-	-	6,767	(4,589)
Dividends	-	-	-	-	-	-	-	(677)	(677)
Closing balance at 30 June 2012	60,191	25,710	178,589	16,068	(2,586)	2,307	10,000	96,336	386,615
Opening balance at 1 July 2010	60,191	25,710	189,565	15,189	(1,997)	2,307	10,000	75,888	376,853
Total comprehensive income for the year	-	-	(796)	4,523	(3,057)	-	-	15,261	15,931
Dividend	-	-	-	-	-	-	-	(903)	(903)
Closing balance at 30 June 2011	60,191	25,710	188,769	19,712	(5,054)	2,307	10,000	90,246	391,881

The consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Consolidated Statement of Cash Flows
For the Financial Year Ended 30 June 2012
(The figures have not been audited)

	12 months ended	
	30.06.12	30.06.11
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	7,431	16,022
Adjustments for:		
Depreciation	34	30
Plant and equipment written off	-	3
Provision for retirement benefit	11	30
Dividend income	(768)	(1,229)
Interest income	(377)	(330)
Share of profit of associates	(4,671)	(10,179)
Unrealised foreign exchange loss / (gain)	361	(2,022)
Operating cash flows before working capital changes	2,021	2,325
Receivables	39	9
Prepayments	1	6
Inventories	7	14
Payables	57	94
Cash flows from operations	2,125	2,448
Retirement benefit paid	-	(500)
Taxes refunded	-	625
Taxes paid	(696)	(715)
Net cash flows from operating activities	1,429	1,858
INVESTING ACTIVITIES		
Dividends received	1,559	2,175
Interest received	367	379
Purchase of property, plant and equipment	(24)	(18)
Purchase of available-for-sale investments	(2,832)	(2,888)
Cash flows used in investing activities	(930)	(352)
FINANCING ACTIVITY		
Dividends paid	(677)	(903)
Net cash used in financing activity	(677)	(903)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(178)	603
EFFECTS OF EXCHANGE RATE CHANGES	439	894
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	44,112	42,615
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	44,373	44,112

The consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements have been prepared on a historical cost basis, except for freehold land included within property, plant and equipment, investment properties and available-for-sale investments that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2011. 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 30 June 2011.

2. Significant accounting policies

Except as described below, the significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2011.

(a) Adoption of New and Revised FRSS, IC Interpretations and Amendments to FRS

FRSS, Amendments to FRS and IC Interpretations

Amendments to FRS 1:	Limited exemption for comparatives FRS 7: Disclosures for First-time Adopters
Amendments to FRS 1:	Additional exemptions for First-time Adopters
Amendments to FRS 2:	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7:	Improving Disclosures about Financial Instruments
IC Interpretation 4:	Determining whether an Arrangement contains a Lease
IC Interpretation 18:	Transfers of Assets from Customers
Improvements to FRSS issued in 2010	
IC Interpretation 19:	Extinguishing Financial Liabilities with Equity Investments
Amendments to IC	
Interpretation 14:	Prepayments of a Minimum Funding Requirement

Except for the new disclosures required under the Amendments to FRS 7, the application of new FRSS, Amendments to FRSS and interpretations that are effective for the financial statements commencing on 1 July 2011 did not result in any significant changes in the accounting policies and presentation of financial results of the Group.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant Accounting Policies (cont'd)

(b) Revised FRS and IC Interpretation issued and not yet effective

The Group has not early adopted the following revised FRS and IC Interpretation which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

	Effective date for financial periods beginning on or after
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to 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").

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant Accounting Policies (cont'd)

(b) Revised FRS and IC Interpretation issued and not yet effective (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2015. 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 earnings.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2011 was not qualified.

4. Segmental Information

	12 months ended	
	30.06.12	30.06.11
	RM'000	RM'000
Segment Revenue		
Plantation	6,018	6,018
Investment	1,145	1,559
Total	<u>7,163</u>	<u>7,577</u>
Segment results		
Plantation	3,675	3,785
Investment	724	3,584
	4,399	7,369
Unallocated corporate expenses	(1,639)	(1,526)
Profit from operations	<u>2,760</u>	<u>5,843</u>
Segment assets		
Plantation	77,415	76,789
Investment	311,040	316,895
	388,455	393,684
Unallocated corporate asset	68	36
Total assets	<u>388,523</u>	<u>393,720</u>

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

5. Unusual Items due to their Nature, Size or Incidence

There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 2012.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter and year-to-date results.

7. Comments about Seasonal or Cyclical Factors

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling price of crude palm oil. The production of fresh fruit bunches is influenced by weather conditions, production cycle and age of palms.

8. Dividend Paid

The amount of dividends paid on 16 December 2011 were as follows:-

In respect of the financial year ended 30 June 2011, as reported in the directors' report of that year:

	Amount RM	Net dividend per share Sen
Final dividend of 1% less 25% taxation	451,437	0.750
Bonus dividend of 0.5% less 25% taxation	225,718	0.375
	<u>677,155</u>	<u>1.125</u>

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and 12 months to-date.

10. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

11. Capital Commitments

There are no commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2012.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2012.

13. Related Party Transactions

Transactions with related parties are as follows:

	3 months ended		12 months ended	
	30.06.12	30.06.11	30.06.12	30.06.11
	RM'000	RM'000	RM'000	RM'000
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih, has an interest	49	64	210	149
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest	146	113	556	528
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest	45	-	45	-

14. Subsequent Events

There were no material events subsequent to the end of the current quarter.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.06.12				
Available-for-sale financial assets	<u>10,237</u>	<u>26,715</u>	<u>-</u>	<u>36,952</u>
30.06.11				
Available-for-sale financial assets	<u>7,600</u>	<u>28,496</u>	<u>-</u>	<u>36,096</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current interim financial period and the comparative period. There were no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

16. Performance Review

The Group's revenue for the current quarter of RM1.52 million was lower than the corresponding quarter ended 30 June 2011 by RM400,000 despite slightly higher interest income. This was mainly due to lower crop sales arising from lower FFB prices and lower fresh fruit bunches production.

The Group's revenue of RM7.16 million for the current financial year ended 30 June 2012 was 5.5% lower than a year ago. This was mainly due to lower dividend income partially offset by higher interest income.

The Group ended the current financial year with an after-tax profit of RM2.40 million for the current quarter and RM6.77 million for the year. These were however lower than last year's corresponding quarter of RM4.29 million and full year of RM15.26 million, mainly due to:-

- 1) Lower revenue from dividend income.
- 2) Higher operating expenses for the current financial year.
- 3) The unrealised exchange gain for the current quarter was only RM11,000 as compared to last year's corresponding quarter's RM497,000. For the current financial year ended 30 June 2012, the unrealised exchange difference was a loss of RM361,000 while a year ago was a gain of RM2.02 million.
- 4) Share of associates' profit for the current quarter and year were RM2.01 million and RM4.67 million respectively. They were lower than last year's corresponding quarter's RM3.42 million and RM10.18 million a year ago.

**17. Comment on Material Change in Profit Before Taxation for the Current Quarter as
Compared with the Immediate Preceding Quarter**

The Group reported a pre-tax profit of RM2.53 million for the current quarter which was lower than the immediate preceding quarter's RM3.91 million despite higher revenue and lower operating expenses. The shortfall of RM1.38 million was mainly due to lower unrealised exchange gain and share of associates' profit.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

18. Commentary on Prospects

With the recruitment of additional employees, better harvests are expected for the next financial year, subject to good weather conditions.

The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations.

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit before tax

Profit for the period is arrived after charging/(crediting):

	Current Quarter RM'000	Year- To-Date RM'000
Interest income	(97)	(377)
Other income including investment income	(101)	(769)
Interest expense	n/a	n/a
Depreciation and amortization	10	34
Provision for and write off of receivables	n/a	n/a
Provision for and write off of inventories	n/a	n/a
Gain or loss on disposal of quoted or unquoted investments or properties	n/a	n/a
Impairment of assets	n/a	n/a
Foreign exchange gain or loss	(11)	361
(Gain)/Loss on derivatives	n/a	n/a
Exceptional items	n/a	n/a

n/a : Not applicable

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

21. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.12	30.06.11	30.06.12	30.06.11
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	126	167	667	604
Foreign tax	-	-	-	-
	<u>126</u>	<u>167</u>	<u>667</u>	<u>604</u>
Over provision of Malaysian income tax in prior years	<u>(3)</u>	<u>19</u>	<u>(3)</u>	<u>19</u>
	123	186	664	623
Deferred taxation	-	138	-	138
Total income tax expense	<u>123</u>	<u>324</u>	<u>664</u>	<u>761</u>

The effective tax rates for the current quarter and financial year, last year's corresponding quarter and financial year were lower than the statutory tax rates applicable in Malaysia as certain income are not subject to tax.

22. Corporate Proposals

There was no corporate proposal announced by the Company as at the date of the issue of this quarterly report.

23. Borrowings

There were no borrowings and debt securities as at 30 June 2012.

24. Changes in Material Litigation

There was no pending material litigation as at the date of the issue of this quarterly report.

25. Dividend Payable

The directors do not recommend any dividend for the current quarter under review.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

26. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the year.

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.12	30.06.11	30.06.12	30.06.11
Profit attributable to ordinary equity holders (RM'000)	<u>2,403</u>	<u>4,287</u>	<u>6,767</u>	<u>15,261</u>
Weighted average number of ordinary shares in issue	<u>60,191</u>	<u>60,191</u>	<u>60,191</u>	<u>60,191</u>
Basic earnings per share (Sen)	<u>3.99</u>	<u>7.12</u>	<u>11.24</u>	<u>25.35</u>

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 30 June 2012.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

27. Disclosure of Realised and Unrealised Retained Profits / (Losses)

The disclosure of realised and unrealised profits mentioned above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

The breakdown of retained profits of the Group, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	As at 30.06.12 RM'000	As at 30.06.11 RM'000
Total retained (losses) / profits of the Group and its subsidiaries:		
- Realised	42,857	40,289
- Unrealised	(1,723)	(2,215)
	41,134	38,074
Total share of retained profits from associated companies:		
- Realised	44,761	40,269
- Unrealised	18,101	17,921
	62,862	58,190
	103,996	96,264
Less: Consolidation adjustments	(7,660)	(6,018)
	<u>96,336</u>	<u>90,246</u>

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 August 2012.