

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

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

	Note	Individual Quarter 3 months ended		Year to Date 3 months ended	
		30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Revenue	4	1,614	1,889	1,614	1,889
Changes in Inventories		6	2	6	2
Staff Costs		(154)	(120)	(154)	(120)
Depreciation		(8)	(7)	(8)	(7)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(573)	(616)	(573)	(616)
Foreign Exchange Gain / (Loss)		425	(742)	425	(742)
Other Expenses		(391)	(391)	(391)	(391)
Profit from Operations	4	919	15	919	15
Share of Profit / (Loss) of Associates		2,318	(150)	2,318	(150)
Profit / (Loss) before tax		3,237	(135)	3,237	(135)
Income tax expense	21	(141)	(199)	(141)	(199)
Profit / (Loss) after tax		3,096	(334)	3,096	(334)
<u>Other Comprehensive Income</u>					
Available-for-sale investments: Gain / (Loss) on fair value changes		2,353	(4,816)	2,353	(4,816)
Foreign currency translation		(1,736)	2,273	(1,736)	2,273
Share of other comprehensive income of Associates		13,911	(18,620)	13,911	(18,620)
Other comprehensive income for the period, net of tax		14,528	(21,163)	14,528	(21,163)
Total comprehensive income for the period		17,624	(21,497)	17,624	(21,497)
Earnings / (Loss) per share attributable to equity holders:					
Basic (Sen)	26(a)	5.14	(0.55)	5.14	(0.55)
Diluted (Sen)	26(b)	5.14	(0.55)	5.14	(0.55)

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 September 2012**

	(Unaudited) As at 30.09.12 RM'000	(Audited) As at 30.6.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,696	73,704
Biological assets	336	336
Investment in associates	248,884	232,654
Available-for-sale investments	38,133	36,952
	<u>361,049</u>	<u>343,646</u>
Current assets		
Inventories	18	11
Trade and other receivables	440	381
Prepayments	42	44
Tax recoverable	239	68
Cash and bank balances	44,167	44,373
	<u>44,906</u>	<u>44,877</u>
TOTAL ASSETS	<u>405,955</u>	<u>388,523</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,191	60,191
Reserves	344,048	326,424
	<u>404,239</u>	<u>386,615</u>
Non-current liabilities		
Deferred tax liability	11	11
Provision for retirement benefits	94	92
	<u>105</u>	<u>103</u>
Current liabilities		
Trade and other payables	1,611	1,805
	<u>1,611</u>	<u>1,805</u>
Total liabilities	<u>1,716</u>	<u>1,908</u>
TOTAL EQUITY AND LIABILITIES	<u>405,955</u>	<u>388,523</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 Period Ended 30 September 2012
(The figures have not been audited)

	← Non-Distributable →				← Distributable →				Total Equity RM'000
	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	
Opening balance at 1 July 2012	60,191	25,711	178,589	16,068	(2,586)	2,307	10,000	96,335	386,615
Total comprehensive income for the period	-	-	13,911	2,353	(1,736)	-	-	3,096	17,624
Closing balance at 30 September 2012	60,191	25,711	192,500	18,421	(4,322)	2,307	10,000	99,431	404,239
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 period	-	-	(18,620)	(4,816)	2,273	-	-	(334)	(21,497)
Closing balance at 30 September 2011	60,191	25,710	170,149	14,896	(2,781)	2,307	10,000	89,912	370,384

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 Period Ended 30 September 2012
(The figures have not been audited)

	3 months ended	
	30.09.12	30.09.11
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit / (Loss) before taxation	3,237	(135)
Adjustments for:		
Depreciation	8	7
Provision for retirement benefit	2	3
Interest income	(96)	(90)
Share of (profit) / loss of associates	(2,318)	150
Unrealised foreign exchange (gain) / loss	(427)	742
Operating cash flows before working capital changes	406	677
Receivables	(58)	6
Prepayments	2	14
Inventories	(6)	(2)
Payables	(195)	253
Cash flows from operations	149	948
Taxes paid	(313)	(139)
Net cash flows (used in) / from operating activities	(164)	809
INVESTING ACTIVITY		
Interest received	96	89
Cash flows from investing activity	96	89
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(68)	898
EFFECTS OF EXCHANGE RATE CHANGES	(138)	(21)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	44,373	44,112
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	44,167	44,989

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 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2012.

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 2012.

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

FRSs, Amendments to FRS and IC Interpretations

Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

Amendments to FRS 7: Transfers of Financial Assets

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

FRS 124 Related Party Disclosures

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The adoption of the new FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial statements commencing on 1 July 2012 does not result in any significant financial position, results and presentation of financial statements 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
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 10, FRS 11 and FRS 12 Consolic Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guideline	1 January 2013
Improvement to FRSs (2012)	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets	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 2012 was not qualified.

4. Segmental Information

	3 months ended	
	30.09.12	30.09.11
	RM'000	RM'000
Segment Revenue		
Plantation	1,518	1,799
Investment	96	90
Total	<u>1,614</u>	<u>1,889</u>
Segment results		
Plantation	794	1,062
Investment	515	(654)
	<u>1,309</u>	<u>408</u>
Unallocated corporate expenses	(390)	(393)
Profit from operations	<u>919</u>	<u>15</u>
Segment assets		
Plantation	77,325	77,577
Investment	328,391	294,925
	<u>405,716</u>	<u>372,502</u>
Unallocated corporate asset	239	-
Total assets	<u>405,955</u>	<u>372,502</u>

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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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 period ended 30 September 2012.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter 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

No dividend was paid since the last quarter.

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter.

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 September 2012.

12. Changes in Contingent Liabilities and Contingent Assets

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to FRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
	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	55	38	55	38
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest	120	150	120	150
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest	10	-	10	-

14. Subsequent Events

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

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
30.09.12				
Available-for-sale financial assets	10,810	27,323	-	38,133
30.06.12				
Available-for-sale financial assets	10,237	26,715	-	36,952

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)
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**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 RM1.61 million was lower than the corresponding quarter ended 30 September 2011 by RM275,000 despite interest income was higher by RM9,000. This shortfall was due to lower crop sales arising from lower FFB prices and lower fresh fruit bunches production.

For the current quarter, the Group reported an after-tax profit of RM3.1 million which was a positive turnaround from the after-tax loss of RM334,000 suffered a year ago. This was mainly due to the unrealised exchange gain of RM425,000 as compared to the corresponding quarter's unrealised exchange loss of RM742,000. Share of associates' profit of RM2.32 million for the current quarter was also a positive turnaround from the loss of RM150,000 reported a year ago.

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

For the quarter under review, the Group's revenue of RM1.61 million was higher than the immediate preceding quarter's RM1.52 million despite no dividend income was received while RM100,000 was received during the immediate preceding quarter. This was mainly due to higher crop sales as the harvested tonnage of fresh fruit bunches increased by about 43% partially offset by the fall of 12% in FFB prices.

The Group reported a pre-tax profit of RM3.24 million for the current quarter which was an improvement from the immediate preceding quarter's RM2.53 million by RM711,000. This was mainly due to:-

- 1) The unrealised foreign exchange gain of RM425,000 for the current quarter was higher than the immediate preceding quarter's RM11,000.
- 2) Share of associates' profit of RM2.32 million for the current quarter was higher than the immediate preceding quarter by RM308,000.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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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, the labour shortage problem has been resolved. However, the performance for the rest of the financial year is expected not to be better than last year due to the following reasons:-

- 1) The labour cost is expected to increase as the Government is implementing the minimum wage policy with effect from January 2013.
- 2) Currently, there is an over supply of CPO and this may result in lowering the FFB prices.

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 / (Loss) before tax

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

	Individual Quarter		Year-To-Date	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Interest income	(96)	(90)	(96)	(90)
Other income including investment incom	-	90	-	
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	8	7	8	7
Provision for and write off of receivables	n/a	n/a	n/a	n/a
Provision for and write off of inventories	n/a	n/a	n/a	n/a
Gain or loss on disposal of quoted or unquoted investments or properties	n/a	n/a	n/a	n/a
Impairment of assets	n/a	n/a	n/a	n/a
Foreign exchange (gain) / loss	(425)	742	(425)	742
(Gain) / Loss on derivatives	n/a	n/a	n/a	n/a
Exceptional items	n/a	n/a	n/a	n/a

n/a : Not applicable

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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**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		3 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	141	199	141	199
Total income tax expense	<u>141</u>	<u>199</u>	<u>141</u>	<u>199</u>

The effective tax rate for the current quarter was lower than the statutory tax rate as certain income are not subject to tax while the effective tax rate for last year's corresponding quarter was higher as certain expenses were not deductible for tax purposes.

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 September 2012.

24. Changes in Material Litigation

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
 Bursa Malaysia Securities Berhad**

25. Dividend Payable

The following dividends in respect of the financial year ended 30 June 2012 on 60,191,550 ordinary shares have been approved by the shareholders at the Annual General Meeting on 20 November 2012:

	Amount RM	Net dividend per share Sen
Final dividend of 1% less 25% taxation	451,436	0.75
Bonus dividend of 0.5% less 25% taxation	225,718	0.38
	<u>677,154</u>	<u>1.13</u>

26. Earnings Per Share

(a) Basic

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

	Individual Quarter 3 months ended		Year-To-Date 3 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
Profit / (loss) attributable to ordinary equity holders (RM'000)	<u>3,096</u>	<u>(334)</u>	<u>3,096</u>	<u>(334)</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 / (loss) per share (Sen)	<u>5.14</u>	<u>(0.55)</u>	<u>5.14</u>	<u>(0.55)</u>

(b) Diluted

Diluted earnings / (loss) per share is the same as basic earnings / (loss) per share as there is no dilutive potential ordinary shares outstanding as at 30 September 2012.

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**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 30.09.12 RM'000	As at 30.06.12 RM'000
Total retained (losses) / profits of the Group and its subsidiaries:		
- Realised	43,345	42,994
- Unrealised	(2,079)	(1,861)
	41,266	41,133
Total share of retained profits from associated companies:		
- Realised	46,075	44,760
- Unrealised	19,105	18,101
	65,180	62,861
	106,446	103,994
Less: Consolidation adjustments	(7,015)	(7,659)
	<u>99,431</u>	<u>96,335</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 20 November 2012.