

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 31 March 2013
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 9 months ended	
		31.03.13 RM'000	31.03.12 RM'000	31.03.13 RM'000	31.03.12 RM'000
Revenue	4	1,204	1,464	4,958	5,643
Other Income		14	-	15	1
Changes in Inventories		179	(4)	182	(7)
Staff Costs		(75)	(174)	(451)	(407)
Depreciation		(5)	(9)	(23)	(24)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(380)	(458)	(1,206)	(1,412)
Foreign Exchange Gain / (Loss)		(261)	425	194	(372)
Other Expenses		(737)	(437)	(1,608)	(1,178)
Profit / (Loss) from Operations	4	(61)	807	2,061	2,244
Share of Profit / (Loss) of Associates		(496)	3,104	2,651	2,661
Profit / (Loss) before tax		(557)	3,911	4,712	4,905
Income tax expense	21	(111)	(118)	(380)	(541)
Profit / (Loss) after tax		(668)	3,793	4,332	4,364
<u>Other Comprehensive Income</u>					
Available-for-sale investments: Gain / (Loss) on fair value changes		785	4,737	3,613	(2,239)
Foreign currency translation		380	(1,622)	(1,417)	603
Share of other comprehensive income of Associates		14,266	10,750	31,778	(7,891)
Other comprehensive income for the period, net of tax		15,431	13,865	33,974	(9,527)
Total comprehensive income for the period		14,763	17,658	38,306	(5,163)
Earnings / (Loss) per share attributable to equity holders:					
Basic (Sen)	26(a)	(1.11)	6.30	7.20	7.25
Diluted (Sen)	26(b)	(1.11)	6.30	7.20	7.25

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 31 March 2013**

	(Unaudited) As at 31.03.13 RM'000	(Audited) As at 30.6.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,681	73,704
Biological assets	336	336
Investment in associates	266,437	232,654
Available-for-sale investments	40,146	36,952
	<u>380,600</u>	<u>343,646</u>
Current assets		
Inventories	193	11
Trade and other receivables	341	381
Prepayments	321	44
Tax recoverable	330	68
Cash and bank balances	43,915	44,373
	<u>45,100</u>	<u>44,877</u>
TOTAL ASSETS	<u>425,700</u>	<u>388,523</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,191	60,191
Reserves	364,053	326,424
	<u>424,244</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	1,351	1,805
	<u>1,351</u>	<u>1,805</u>
Total liabilities	<u>1,456</u>	<u>1,908</u>
TOTAL EQUITY AND LIABILITIES	<u>425,700</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 31 March 2013

(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 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	-	-	31,778	3,613	(1,417)	-	-	4,332	38,306
Dividends	-	-	-	-	-	-	-	(677)	(677)
Closing balance at 31 March 2013	60,191	25,711	210,367	19,681	(4,003)	2,307	10,000	99,990	424,244
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	-	-	(7,891)	(2,239)	603	-	-	4,364	(5,163)
Dividends	-	-	-	-	-	-	-	(677)	(677)
Closing balance at 31 March 2012	60,191	25,710	180,878	17,473	(4,451)	2,307	10,000	93,933	386,041

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 31 March 2013
(The figures have not been audited)

	9 months ended	
	31.03.13	31.03.12
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	4,712	4,905
Adjustments for:		
Depreciation	23	24
Provision for retirement benefit	7	7
Dividend income	(791)	(667)
Interest income	(313)	(280)
Share of profit of associates	(2,651)	(2,661)
Unrealised foreign exchange (gain) / loss	(201)	372
Operating cash flows before working capital changes	786	1,700
Receivables	42	94
Prepayments	(276)	(26)
Inventories	(182)	7
Payables	407	(144)
Cash flows from operations	777	1,631
Retirement benefit paid	(866)	-
Taxes paid	(643)	(467)
Net cash flows (used in) / from operating activities	<u>(732)</u>	<u>1,164</u>
INVESTING ACTIVITIES		
Dividends received	1,437	1,458
Interest received	311	274
Purchase of property, plant and equipment	-	(8)
Purchase of available-for-sale investments	(543)	(2,832)
Cash flows from / (used in) investing activities	<u>1,205</u>	<u>(1,108)</u>
FINANCING ACTIVITY		
Dividends paid	(677)	(677)
Net cash used in financing activity	<u>(677)</u>	<u>(677)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(204)	(621)
EFFECTS OF EXCHANGE RATE CHANGES	(254)	(122)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>44,373</u>	<u>44,112</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>43,915</u></u>	<u><u>43,369</u></u>

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

	9 months ended	
	31.03.13	31.03.12
	RM'000	RM'000
Segment Revenue		
Plantation	3,854	4,696
Investment	1,104	947
Total	<u>4,958</u>	<u>5,643</u>
Segment results		
Plantation	2,218	2,862
Investment	1,268	544
	3,486	3,406
Unallocated corporate expenses	<u>(1,425)</u>	<u>(1,162)</u>
Profit from operations	<u>2,061</u>	<u>2,244</u>
Segment assets		
Plantation	77,349	77,004
Investment	348,021	310,778
	425,370	387,782
Unallocated corporate asset	330	-
Total assets	<u>425,700</u>	<u>387,782</u>

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 31 March 2013.

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

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

The amount of dividends paid on 20 December 2012 were as follows:-

In respect of the financial year ended 30 June 2012, as reported in the directors' report of that year:

	Amount RM	Net dividend per share Sen
Final dividend of 1% less 25% taxation	451,436	0.750
Bonus dividend of 0.5% less 25% taxation	<u>225,718</u>	<u>0.375</u>
	<u><u>677,154</u></u>	<u><u>1.125</u></u>

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and 9 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 31 March 2013.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 March 2013.

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	
	31.03.13	31.03.12	31.03.13	31.03.12
	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	47	50	148	161
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest	150	150	437	410
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest	11	29	31	29

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
31.12.12				
Available-for-sale financial assets	10,924	29,222	-	40,146
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 RM1.2 million and period-to-date of RM4.96 million slid about 18% and 12% respectively from a year earlier despite higher dividend and interest income. The lower average selling price of fresh fruit bunches more than offset the higher sales volume during the period.

For the three months ended 31 March 2013, the Group suffered an after-tax loss of RM668,000 as compared to the after-tax profit of RM3.79 million reported during the corresponding quarter a year ago. This was mainly due to:-

- 1) The unrealised exchange difference for the current quarter was a loss of RM261,000 while gain of RM425,000 was recorded during last year's corresponding quarter.
- 2) Share of associates' financial results was a loss of RM496,000 for the current quarter while last year's corresponding quarter was a profit of RM3.1 million.

Despite the slide of RM685,000 in revenue, the Group's after-tax profit of RM4.33 million for the current 9 months to-date was only lesser by RM32,000 as compared to the after-tax profit of RM4.36 million reported a year ago. This was mainly due to the unrealised exchange difference for the current period-to-date was a gain of RM194,000 while a loss of RM372,000 was recorded for last year's period-to-date.

**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 RM1.2 million was substantially lower than the immediate preceding quarter of RM2.14 million despite higher interest income. This was mainly due to lower crop sales on account of lower fresh fruit bunches production. No dividend income was received during the current quarter while RM791,000 was received during the immediate preceding quarter.

The Group suffered a pre-tax loss of RM557,000 for the current quarter as compared to the pre-tax profit of RM2.03 million achieved during the immediate preceding quarter. This was due to:-

- 1) Lower crop sales achieved and no dividend income was received during the current quarter.
- 2) The unrealised foreign exchange difference was a loss of RM261,000 for the current quarter while it was a gain of RM30,000 during the immediate preceding quarter.
- 3) Share of associates' financial results for the current quarter was a loss RM496,000 as compared to the immediate preceding quarter's profit of RM829,000.

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

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 yield of fresh fruit bunches are expected to be low for the rest of the financial year.
- 2) Labour cost is expected to increase as the Government has implemented the minimum wage policy with effect from January 2013.
- 3) CPO prices are expected to remain bearish as biodiesel demand in Europe is expected to be reduced and expectations of bumper soybean crops in South America will weigh on the commodity.

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	
	31.03.13	31.03.12	31.03.13	31.03.12
	RM'000	RM'000	RM'000	RM'000
Interest income	(121)	(96)	(313)	(280)
Other income including investment income	(14)	1	(806)	(668)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	5	9	23	24
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	261	(425)	(194)	372
(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		9 months ended	
	31.03.13	31.03.12	31.03.13	31.03.12
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	111	118	380	541
Total income tax expense	<u>111</u>	<u>118</u>	<u>380</u>	<u>541</u>

The effective tax rate for the current quarter was higher than the statutory tax rate applicable in Malaysia as certain expenses were not deductible for tax purposes while the effective tax rates for current period-to-date and last year's corresponding quarter and period-to-date were lower than the statutory tax rates as certain income are not subject to tax .

22. Corporate Proposals

On 22 March 2013, the Company announced the proposed dividend reinvestment scheme that will provide shareholders the option to elect to reinvest in whole or in part of their cash dividend which includes interim, final, special or any other cash dividend in new ordinary share(s) of RM1.00 each in the Company.

23. Borrowings

There were no borrowings and debt securities as at 31 March 2013.

24. Changes in Material Litigation

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

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

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		Year-To-Date	
	3 months ended		9 months ended	
	31.03.13	31.03.12	31.03.13	31.03.12
Profit / (Loss) attributable to ordinary equity holders (RM'000)	<u>(668)</u>	<u>3,793</u>	<u>4,332</u>	<u>4,364</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>(1.11)</u>	<u>6.30</u>	<u>7.20</u>	<u>7.25</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 31 March 2013.

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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 31.03.13 RM'000	As at 30.06.12 RM'000
Total retained (losses) / profits of the Group and its subsidiaries:		
- Realised	44,444	42,994
- Unrealised	(2,193)	(1,861)
	42,251	41,133
Total share of retained profits from associated companies:		
- Realised	46,861	44,760
- Unrealised	18,652	18,101
	65,513	62,861
	107,764	103,994
Less: Consolidation adjustments	(7,774)	(7,659)
	<u>99,990</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 29 May 2013.