

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

Consolidated Statement Of Comprehensive Income
For the Financial Year Ended 30 June 2013
(The figures have not been audited)

	Note	Individual Quarter		Year to Date	
		30.06.13 RM'000	30.06.12 RM'000	30.06.13 RM'000	30.06.12 RM'000
Revenue	4	1,334	1,520	6,292	7,163
Other Income		65	-	80	1
Changes in Inventories		(192)	-	(10)	(7)
Staff Costs		(9)	(143)	(460)	(550)
Depreciation		(43)	(10)	(66)	(34)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(717)	(434)	(1,923)	(1,846)
Foreign Exchange Gain / (Loss)		(132)	11	62	(361)
Other Expenses		(295)	(428)	(1,903)	(1,606)
Profit from Operations	4	11	516	2,072	2,760
Share of Profit of Associates		6,103	2,010	8,754	4,671
Profit before tax		6,114	2,526	10,826	7,431
Income tax expense	21	(37)	(123)	(417)	(664)
Profit after tax		6,077	2,403	10,409	6,767
<u>Other Comprehensive Income</u>					
Available-for-sale investments: Loss on fair value changes		(6,992)	(1,405)	(3,379)	(3,644)
Foreign currency translation		1,173	1,865	(244)	2,468
Share of other comprehensive income of Associates		(12,243)	(2,289)	19,535	(10,180)
Other comprehensive income for the year, net of tax		(18,062)	(1,829)	15,912	(11,356)
Total comprehensive income for the year		(11,985)	574	26,321	(4,589)
Earnings per share					
attributable to equity holders:					
Basic (Sen)	26(a)	10.10	3.99	17.29	11.24
Diluted (Sen)	26(b)	10.10	3.99	17.29	11.24

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 2013**

	(Unaudited) As at 30.06.13 RM'000	(Audited) As at 30.6.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,991	73,704
Biological assets	336	336
Investment in associates	260,298	232,654
Available-for-sale investments	33,954	36,952
	<u>368,579</u>	<u>343,646</u>
Current assets		
Inventories	1	11
Trade and other receivables	260	381
Prepayments	45	44
Tax recoverable	303	68
Cash and bank balances	44,274	44,373
	<u>44,883</u>	<u>44,877</u>
TOTAL ASSETS	<u>413,462</u>	<u>388,523</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,191	60,191
Reserves	352,068	326,424
	<u>412,259</u>	<u>386,615</u>
Non-current liabilities		
Deferred tax liability	21	11
Provision for retirement benefits	70	92
	<u>91</u>	<u>103</u>
Current liabilities		
Trade and other payables	1,112	1,805
	<u>1,112</u>	<u>1,805</u>
Total liabilities	<u>1,203</u>	<u>1,908</u>
TOTAL EQUITY AND LIABILITIES	<u>413,462</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 Year Ended 30 June 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	25,710	178,589	16,068	(2,586)	2,307	10,000	96,336	386,615
Total comprehensive income / (loss) for the year	-	-	19,535	(3,379)	(244)	-	-	10,409	26,321
Dividends	-	-	-	-	-	-	-	(677)	(677)
Closing balance at 30 June 2013	60,191	25,710	198,124	12,689	(2,830)	2,307	10,000	106,068	412,259
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 / (loss) 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

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 2013
(The figures have not been audited)

	12 months ended	
	30.06.13	30.06.12
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	10,826	7,431
Adjustments for:		
Depreciation	66	34
Provision for retirement benefit	(11)	11
Dividend income	(892)	(768)
Interest income	(440)	(377)
Share of profit of associates	(8,754)	(4,671)
Unrealised foreign exchange (gain) / loss	(72)	361
Operating cash flows before working capital changes	723	2,021
Receivables	122	39
Prepayments	(1)	1
Inventories	10	7
Payables	168	57
Cash flows from operations	1,022	2,125
Retirement benefit paid	(871)	-
Taxes paid	(643)	(696)
Net cash flows (used in) / from operating activities	<u>(492)</u>	<u>1,429</u>
INVESTING ACTIVITIES		
Dividends received	1,538	1,559
Interest received	439	367
Purchase of property, plant and equipment	(354)	(24)
Purchase of available-for-sale investments	(543)	(2,832)
Cash flows from / (used in) investing activities	<u>1,080</u>	<u>(930)</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	(89)	(178)
EFFECTS OF EXCHANGE RATE CHANGES	(10)	439
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>44,373</u>	<u>44,112</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u><u>44,274</u></u>	<u><u>44,373</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 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').

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 2015.

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 2016. 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

	12 months ended	
	30.06.13	30.06.12
	RM'000	RM'000
Segment Revenue		
Plantation	4,960	6,018
Investment	1,332	1,145
Total	<u>6,292</u>	<u>7,163</u>
Segment results		
Plantation	2,505	3,675
Investment	1,342	724
	<u>3,847</u>	<u>4,399</u>
Unallocated corporate expenses	<u>(1,775)</u>	<u>(1,639)</u>
Profit from operations	<u>2,072</u>	<u>2,760</u>
Segment assets		
Plantation	77,092	77,415
Investment	336,067	311,040
	<u>413,159</u>	<u>388,455</u>
Unallocated corporate asset	303	68
Total assets	<u>413,462</u>	<u>388,523</u>

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2013.

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

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 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 2013.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 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	
	30.06.13	30.06.12	30.06.13	30.06.12
	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	46	49	194	210
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest	138	146	575	556
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest	11	16	42	45

14. Subsequent Events

There were no material events subsequent to the end of the current quarter except as disclosed in Note 22.

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
30.06.13				
Available-for-sale financial assets	9,603	24,351	-	33,954
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 RM1.33 million and financial year of RM6.29 million slid about 12% 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 current quarter and financial year.

For the last quarter of the current financial year ended 30 June 2013, the after-tax profit of RM6.08 million reported by the Group was higher than a the quarter of RM2.40 million reported a year ago despite higher operating expenses incurred and the unrealised foreign exchange difference was a loss of RM132,000 as compared to the gain of RM11,000 reported during the quarter a year ago. This was mainly due to the share of associates' profit of RM6.10 million for the current quarter was higher than last year's corresponding quarter of RM2.01 million.

The Group posted an after-tax profit of RM10.41 million for the financial year ended 30 June 2013. This was higher than the profit of RM6.77 million reported a year ago, mainly due to share of associates' profit of RM8.75 million was higher than last year by RM4.08 million.

**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 RM1.33 million was higher than the immediate preceding quarter of RM1.20 million. This was due to the receipt of dividend income of RM101,000 while there was none during the immediate preceding quarter. Crop sales and interest income were also slightly higher.

The Group achieved a pre-tax profit of RM6.11 million for the current quarter which was a positive turnaround from the pre-tax loss of RM557,000 suffered during the immediate preceding quarter despite higher operating expenses incurred during the current quarter. This was due to:-

- 1) Higher revenue achieved during the current quarter.
- 2) The unrealised foreign exchange loss of RM132,000 for the current quarter was lower.
- 3) Replanting grant of RM65,000 was received from Malaysian Palm Oil Board.
- 4) Share of associates' financial results for the current quarter was a profit of RM6.10 million as compared to the immediate preceding quarter's loss of RM496,000.

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

For the next financial year ending 30 June 2014, higher crop is expected as 2014 is considered a peak period which normally follows after a trough period (2013). However, palm trees of different age group will respond differently to the climatic changes.

Better selling prices of fresh fruit bunches are expected due to:-

- 1) Global demand for palm oil is expected to improve next year. This may result in the improvement of average crude palm oil (CPO) price on account of higher demand expected.
- 2) Demand of vegetable oil in China and India is expected to increase. This may result in increase in the export of palm oil to both countries.

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	
	30.06.13 RM'000	30.06.12 RM'000	30.06.13 RM'000	30.06.12 RM'000
Interest income	(127)	(97)	(440)	(377)
Other income including investment income	(166)	(101)	(972)	(769)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	43	10	66	34
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	132	(11)	(62)	361
(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		12 months ended	
	30.06.13	30.06.12	30.06.13	30.06.12
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	26	126	406	667
Under / (Over) provision of Malaysian income tax in prior years	<u>1</u>	<u>(3)</u>	<u>1</u>	<u>(3)</u>
	<u>27</u>	<u>123</u>	<u>407</u>	<u>664</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	13	-	13	-
Overprovision in prior years	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>
Total income tax expense	<u><u>37</u></u>	<u><u>123</u></u>	<u><u>417</u></u>	<u><u>664</u></u>

The effective tax rates for the current quarter, current financial year, last year's corresponding quarter and financial year 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.

Subsequent to the financial year end on 3rd July 2013, the Company's shareholders have approved the proposed dividend reinvestment scheme at the Extraordinary General Meeting held on that date.

23. Borrowings

There were no borrowings and debt securities as at 30 June 2013.

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

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 period.

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.13	30.06.12	30.06.13	30.06.12
Profit attributable to ordinary equity holders (RM'000)	<u>6,077</u>	<u>2,403</u>	<u>10,409</u>	<u>6,767</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>10.10</u>	<u>3.99</u>	<u>17.29</u>	<u>11.24</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 2013.

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**

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 30.06.13 RM'000	As at 30.06.12 RM'000
Total retained (losses) / profits of the Group and its subsidiaries:		
- Realised	44,556	42,994
- Unrealised	(1,899)	(1,861)
	42,657	41,133
Total share of retained profits from associated companies:		
- Realised	48,658	44,761
- Unrealised	22,958	18,101
	71,616	62,862
	114,273	103,995
Less: Consolidation adjustments	(8,205)	(7,659)
	<u>106,068</u>	<u>96,336</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 August 2013.