

THE AYER MOLEK RYBBER COMPANY BERHAD (1292-P)
(Incorporated in Malaysia)

ADDITIONAL INFORMATION REQUIRED PURSUANT TO
BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

The Company and its subsidiaries did not carry on any business operation during the period under review as the plantation lands had been disposed off by the former directors. This position would continue until the Group is able to acquire revenue generating assets. The present directors are actively pursuing this objective.

In this connection, the transferee of the Company's lands held under Grant 20098 for Lot 299 and Grant 1087 Lot 300 for all in the Mukim of Ayer Panas, District of Jasin, State of Malacca has offered to rescind the transfer in return for a sum of RM600,000 which was paid as consideration for the transfer of the said lands. The present directors have agreed to accept the offer. Solicitors for both parties have agreed to enter into a consent judgement whereby the disposal would be deemed to have been annulled and the land would be transferred back to the Company subject to refund of the RM600,000 and other documentation which is yet to be completed since the last report.

2. Prospects for the current Financial Year

The prospect for the current financial year would remain unchanged until the Group is able to acquire revenue generating assets.

3. Profit forecast

Not applicable as no profit forecast was published.

4. Taxation

There was no provision for taxation or adjustment of deferred taxation as the Group was dormant during the period under review.

5. Unquoted Securities

The Group did not purchase any unquoted securities during the period.

6. Quoted Securities

The Group did not purchase or dispose off any quoted securities during the period.

7. Material litigations

As reported in the Annual Reports for 2006, 2007 and 2008, certain landed properties of the Company had been unlawfully disposed and transferred. The Company has since commenced legal actions in the High Court of Malaysia seeking to set aside the disposal and transfer of the said properties. The relevant legal actions are set out below:

- a. High Court in Melaka Civil Suit No. 22-48-2009 The Ayer Molek Rubber Company Berhad vs Bintang-Bintang Sdn Bhd & 6 others in respect of “Jasin Lands”
- b. High Court in Johor Bahru Civil Suit No. 22-217-2009 The Ayer Molek Rubber Company Berhad vs Bintang-Bintang Sdn Bhd & 6 others in respect of “Segamat Land”
- c. High Court in Johor Bahru Civil Suit No.22-216-2009 The Ayer Molek Molek Rubber Company vs Ropie Subari and 4 others in respect of “Jementah Land”
- d. High Court in Melaka Civil Suit No. 22-90-2009 The Ayer Molek Rubber Company Berhad vs Magma Tenggara Sdn Bhd & 5 others in respect of “Ayer Panas Land”

As stated in Note 1 above, the transferee of the lands in this transaction has offered to return the said lands against the refund of the sum paid earlier as consideration subject to the terms stated above.

8. **Corporate proposals.**

The Company has on 18 November, 2009 through MIMB Investment Bank Berhad announced that the Directors have decided to make a 10 for 1 Rights Issue in conjunction with the Proposed Rescission of Property Disposals. The purposes of the Rights Issue are:

- a) for recovery of the plantation lands of the Company measuring 968 acres of which approximately 936 acres are income generating which were previously disposed; and
- b) for acquisition of income generating new plantation lands.

Application has been made to Bursa Malaysia Securities Berhad (Bursa Securities) for listing and quotation on the Main Market of the Rights Issue Shares. However, Bursa Securities have indicated that approval cannot be granted prior to the formulation of the regularization plan for the Company as required by Bursa Securities. Accordingly, the Board has decided to defer the Rights Issue for the time being.

Since the announcement of the 4th Quarter Report of 2009 there has been no further development on the proposed Rights Issue as the Board has not been able to identify suitable assets for acquisition.

The extension of time granted by Bursa Securities to submit the Regularization Plan expired on 18 March 2010. The Company has since applied for further extension of eight months to submit the Regularization Plan. Bursa Securities has advised that de-listing procedures will be deferred pending its decision on the Company's application.

During the period under review the Company was placed under PN 17 of the Listing Requirements.

The Board continues to look for possible “white knights” and is currently examining a suitable candidate for the purpose of “Reverse Takeover” or “RTO.”

MIMB Investment Bank Berhad has been appointed as advisors in this effort.

