

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

**Condensed Consolidated Income Statement**

**For the Period Ended 31 March 2010**

(The figures have not been audited)

|  | Note  | Individual Quarter<br>3 months ended |                      | Year to Date<br>9 months ended |                      |
|--|-------|--------------------------------------|----------------------|--------------------------------|----------------------|
|  |       | 31.03.2010<br>RM'000                 | 31.03.2009<br>RM'000 | 31.03.2010<br>RM'000           | 31.03.2009<br>RM'000 |
| <b>Revenue</b>   | 3     | 1,475                                | 1,214                | 4,994                          | 5,122                |
| Other Income   |       | 48                                   | -                    | 104                            | 1                    |
| Changes in Inventories   |       | 63                                   | 140                  | 57                             | 133                  |
| Staff Costs  |       | (176)                                | (182)                | (485)                          | (531)                |
| Depreciation   |       | (26)                                 | (17)                 | (61)                           | (52)                 |
| Subcontract Labour Costs,<br>Fertilizer and Chemical Costs                 |       | (329)                                | (359)                | (1,410)                        | (1,742)              |
| Foreign Exchange Loss  |       | (909)                                | (805)                | (594)                          | (2,075)              |
| Other Expenses   |       | (404)                                | (482)                | (1,083)                        | (1,189)              |
| <b>Profit / (Loss) from Operations</b>                                     | 3     | (258)                                | (491)                | 1,522                          | (333)                |
| Share of Profit / (Loss) of Associates                                     |       | (45)                                 | (1,970)              | 2,459                          | (2,717)              |
| <b>Profit / (Loss) before Taxation</b>                                     |       | (303)                                | (2,461)              | 3,981                          | (3,050)              |
| Income tax (expense)   | 17    | (179)                                | (90)                 | (397)                          | (217)                |
| <b>Profit / (Loss) for the period</b>                                      |       | (482)                                | (2,551)              | 3,584                          | (3,267)              |
| <b>Earnings / (Loss) per share<br/>attributable to equity<br/>holders:</b> |       |                                      |                      |                                |                      |
| Basic (Sen)  | 25(a) | (0.80)                               | (4.24)               | 5.95                           | (5.43)               |
| Diluted (Sen)  | 25(b) | (0.80)                               | (4.24)               | 5.95                           | (5.43)               |

The condensed consolidated income statement 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)

**Condensed Consolidated Balance Sheet****As at 31 March 2010**

|   |             | <b>(Unaudited)</b> | <b>(Audited)</b> |
|---|-------------|--------------------|------------------|
|   | <b>Note</b> | <b>As at</b>       | <b>As at</b>     |
|   |             | <b>31.03.2010</b>  | <b>30.6.2009</b> |
|   |             | <b>RM'000</b>      | <b>RM'000</b>    |
| <b>ASSETS</b>   |             |                    |                  |
| <b>Non-current assets</b>                                   |             |                    |                  |
| Property, plant and equipment                               |             | 79,186             | 74,143           |
| Investment in associates                                    |             | 221,523            | 190,625          |
| Available-for-sale investments                              | 19          | 27,205             | 20,377           |
| Deferred tax asset  |             | 144                | 144              |
|   |             | <u>328,058</u>     | <u>285,289</u>   |
| <b>Current assets</b>                                       |             |                    |                  |
| Inventories   |             | 94                 | 36               |
| Trade and other receivables                                 |             | 602                | 516              |
| Tax recoverable   |             | 351                | 369              |
| Cash and bank balances                                      |             | 45,939             | 47,012           |
|   |             | <u>46,986</u>      | <u>47,933</u>    |
| <b>TOTAL ASSETS</b>   |             | <u>375,044</u>     | <u>333,222</u>   |
| <b>EQUITY AND LIABILITIES</b>                               |             |                    |                  |
| <b>Equity attributable to equity holders to the Company</b> |             |                    |                  |
| Share capital   |             | 60,191             | 60,191           |
| Reserves  |             | 312,716            | 270,731          |
|   |             | <u>372,907</u>     | <u>330,922</u>   |
| <b>Non-current liabilities</b>                              |             |                    |                  |
| Provision for retirement benefits                           |             | 572                | 550              |
| <b>Current liabilities</b>                                  |             |                    |                  |
| Trade and other payables                                    |             | 1,565              | 1,750            |
| Tax payable   |             | -                  | -                |
|   |             | <u>1,565</u>       | <u>1,750</u>     |
| <b>Total liabilities</b>                                    |             | <u>2,137</u>       | <u>2,300</u>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                         |             | <u>375,044</u>     | <u>333,222</u>   |

The condensed consolidated balance sheet should be read in conjunction with the the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity****For the Period Ended 31 March 2010**

(The figures have not been audited)

|   | ← Non-Distributable →      |                               |  |                                    | ← Distributable →  |   |                              |                                | Total<br>Equity<br>RM'000 |
|---|----------------------------|-------------------------------|--|------------------------------------|--|---|------------------------------|--------------------------------|---------------------------|
|   | Share<br>Capital<br>RM'000 | Capital<br>Reserves<br>RM'000 | Share of<br>associated<br>companies<br>reserve<br>RM'000 | Fair<br>Value<br>Reserve<br>RM'000 | Foreign<br>Exchange<br>Fluctuation<br>Reserves<br>RM'000 | Cultivation<br>and<br>Replacement<br>Reserves<br>RM'000 | General<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 |                           |
| <b>At 1 July 2009</b>                                 | 60,191                     | 25,825                        | 156,629  | 7,511                              | 631  | 2,707   | 10,000                       | 67,428                         | 330,922                   |
| Share of associated companies' reserves               | -                          | -                             | 28,956   | -                                  | -  | -   | -                            | -                              | 28,956                    |
| Revaluation surplus on plantation land                | -                          | 5,000                         | -  | -                                  | -  | -   | -                            | -                              | 5,000                     |
| Foreign currency translation                          | -                          | -                             | -  | -                                  | (2,638)  | -   | -                            | -                              | (2,638)                   |
| Fair value gain:                                      |                            |                               |  |                                    |  |   |                              |                                |                           |
| - Available-for-sale investments                      | -                          | -                             | -  | 7,534                              | -  | -   | -                            | -                              | 7,534                     |
| Net income/(expense) recognised<br>directly in equity | -                          | 5,000                         | 28,956   | 7,534                              | (2,638)  | -   | -                            | -                              | 38,852                    |
| Profit for the period                                 | -                          | -                             | -  | -                                  | -  | -   | -                            | 3,584                          | 3,584                     |
| Total recognised income and expense<br>for the period | -                          | 5,000                         | 28,956   | 7,534                              | (2,638)  | -   | -                            | 3,584                          | 42,436                    |
| Dividend paid   | -                          | -                             | -  | -                                  | -  | -   | -                            | (451)                          | (451)                     |
| <b>At 31 March 2010</b>                               | 60,191                     | 30,825                        | 185,585  | 15,045                             | (2,007)  | 2,707   | 10,000                       | 70,561                         | 372,907                   |

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity (Cont'd)****For the Period Ended 31 March 2010**

(The figures have not been audited)

|   | ← Non-Distributable →      |                               |  |                                    |  | ← Distributable →                                       |                              |                                | Total<br>Equity<br>RM'000 |
|---|----------------------------|-------------------------------|--|------------------------------------|--|---|------------------------------|--------------------------------|---------------------------|
|   | Share<br>Capital<br>RM'000 | Capital<br>Reserves<br>RM'000 | Share of<br>associated<br>companies<br>reserve<br>RM'000 | Fair<br>Value<br>Reserve<br>RM'000 | Foreign<br>Exchange<br>Fluctuation<br>Reserves<br>RM'000 | Cultivation<br>and<br>Replacement<br>Reserves<br>RM'000 | General<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 |                           |
| <b>At 1 July 2008</b>                                 | 60,191                     | 25,825                        | 196,269  | 12,364                             | (2,383)  | 3,110   | 10,000                       | 73,194                         | 378,570                   |
| Share of associated companies' reserves               | -                          | -                             | (58,864)   | -                                  | -  | -   | -                            | -                              | (58,864)                  |
| Foreign currency translation                          | -                          | -                             | -  | -                                  | 4,355  | -   | -                            | -                              | 4,355                     |
| Fair value loss:                                      |                            |                               |  |                                    |  |   |                              |                                |                           |
| - Available-for-sale investments                      | -                          | -                             | -  | (10,246)                           | -  | -   | -                            | -                              | (10,246)                  |
| Net expense recognised<br>directly in equity          | -                          | -                             | (58,864)   | (10,246)                           | 4,355  | -   | -                            | -                              | (64,755)                  |
| Loss for the period                                   | -                          | -                             | -  | -                                  | -  | -   | -                            | (3,267)                        | (3,267)                   |
| Total recognised income and expense<br>for the period | -                          | -                             | (58,864)   | (10,246)                           | 4,355  | -   | -                            | (3,267)                        | (68,022)                  |
| Dividends paid  | -                          | -                             | -  | -                                  | -  | -   | -                            | (1,129)                        | (1,129)                   |
| <b>At 31 March 2009</b>                               | 60,191                     | 25,825                        | 137,405  | 2,118                              | 1,972  | 3,110   | 10,000                       | 68,798                         | 309,419                   |

The condensed 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)

**Condensed Consolidated Cash Flow Statement**  
**For the Period Ended 31 March 2010**  
(The figures have not been audited)

|  | <b>9 months ended</b> |                   |
|--|-----------------------|-------------------|
|  | <b>31.03.2010</b>     | <b>31.03.2009</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>     |
| Net cash generated from / (used in) operating activities   | 359                   | (953)             |
| Net cash generated from investing activities               | 1,059                 | 2,005             |
| Net cash used in financing activities                      | (451)                 | (1,129)           |
| Net increase / (decrease) in cash and cash equivalents     | <u>967</u>            | <u>(77)</u>       |
| Effects of exchange rate changes                           | (2,040)               | 165               |
| Cash and cash equivalents at beginning of financial period | <u>47,012</u>         | <u>46,172</u>     |
| Cash and cash equivalents at end of financial period       | <u>45,939</u>         | <u>46,260</u>     |

Cash and cash equivalents at the end of the financial period comprise the following :

|                        | <b>As at</b>      | <b>As at</b>      |
|------------------------|-------------------|-------------------|
|                        | <b>31.03.2010</b> | <b>31.03.2009</b> |
|                        | <b>RM'000</b>     | <b>RM'000</b>     |
| Cash and bank balances | <u>45,939</u>     | <u>46,260</u>     |

The condensed consolidated cash flow statement 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 2009. 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 2009.

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 2009.

Change in accounting policy - FRS 8: Operating Segments

FRS 8 sets out the requirements for disclosure of information on an entity's operating segment, products and services, the geographical areas in which it operates and its customers. The adoption of this Standard does not result in significant change in the Group's accounting policies and only impact the form and content of disclosures presented in the financial statements.

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 30 June 2009 was not qualified.

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

**Part A - Explanatory Notes Pursuant to FRS 134**

**3. Segmental Information**

|                                 | <b>9 months ended</b> |                   |
|---------------------------------|-----------------------|-------------------|
|                                 | <b>31.03.2010</b>     | <b>31.03.2009</b> |
|                                 | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>Segment Revenue</b>          |                       |                   |
| Plantation                      | 3,963                 | 3,615             |
| Investment                      | 1,031                 | 1,507             |
| Total                           | <u>4,994</u>          | <u>5,122</u>      |
| <b>Segment results</b>          |                       |                   |
| Plantation                      | 2,151                 | 1,392             |
| Investment                      | 425                   | (568)             |
|                                 | <u>2,576</u>          | <u>824</u>        |
| Unallocated corporate expenses  | <u>(1,054)</u>        | <u>(1,157)</u>    |
| Profit / (Loss) from operations | <u>1,522</u>          | <u>(333)</u>      |
| <b>Segment assets</b>           |                       |                   |
| Plantation                      | 81,209                | 76,540            |
| Investment                      | 293,341               | 234,581           |
|                                 | <u>374,550</u>        | <u>311,121</u>    |
| Unallocated corporate expenses  | 494                   | 633               |
| Total assets                    | <u>375,044</u>        | <u>311,754</u>    |

**4. 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 31 March 2010.

**5. Changes in Estimates**

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

**6. 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.

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**Part A - Explanatory Notes Pursuant to FRS 134**

**7. Dividend Paid**

The amount of dividend paid during the financial period ended 31 March 2010 was as follows:-

In respect of the financial year ended 30 June 2009, as reported in the directors' report of that year:

|  | <b>Amount</b>  | <b>Net dividend</b> |
|--|----------------|---------------------|
|  | <b>RM</b>      | <b>per share</b>    |
|  |                | <b>Sen</b>          |
| First and final dividend of 1% less 25% taxation | 451,437        | 0.8                 |
|  | <u>451,437</u> | <u>0.8</u>          |

**8. 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.

**9. Changes in Composition of the Group**

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

**10. 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 2010.

**11. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 March 2010.

**12. Subsequent Events**

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



**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**

**13. Performance Review**

The Group's revenue for the current quarter of RM1.48 million was higher than the corresponding quarter ended 31 March 2009 despite lower interest income and no dividend income was received during the current quarter. This was due to higher crop sales mainly on account of the increase of FFB prices.

The current period-to-date's revenue of RM4.99 million was lower than last year's corresponding period-to-date's revenue of RM5.12 million despite higher crop sales. This was due to lower dividend and interest income.

The Group suffered an after-tax loss of RM482,000 for the current quarter ended 31 March 2010. This was significantly lower as compared to last year's corresponding quarter's loss of RM2.55 million despite higher unrealised exchange loss suffered for the current quarter. This was due to the share of associates' financial loss of RM45,000 for the current quarter as compared to the loss of RM1.97 million for the corresponding quarter ended 31 March 2009.

The Group achieved after-tax profit of RM3.58 million for the current period-to-date ended 31 March 2010 as compared to the after-tax loss of RM3.27 million suffered during the corresponding period ended 31 March 2009. This was due to lower unrealised exchange loss and share of associates' financial result was a profit of RM2.46 million as compared to the share of RM2.72 million loss for last year's corresponding period.

**14. Comment on Material Change in Profit Before Taxation**

For the quarter under review, the Group's revenue of RM1.48 million was lower than the immediate preceding quarter's RM2.14 million. This was due to lower interest income and no dividend income was received during the current quarter.

The Group suffered a pre-tax loss of RM303,000 for the current quarter ended 31 March 2010 as compared to the immediate preceding quarter's pre-tax profit of RM1.74 million. This was mainly due to lower revenue and higher unrealised exchange loss of RM909,000 suffered for the current quarter as compared to the immediate preceding quarter's unrealised exchange loss of RM192,000. Share of the associates' financial result for the current quarter was a loss of RM45,000 as compared to the share of profit of RM765,000 for the immediate preceding quarter ended 31 December 2009.

**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**

**15. Commentary on Prospects**

The prospect of the plantation's performance for the rest of the financial year ending 30 June 2010 is not expected to improve significantly. Production is expected to increase while the CPO prices may remain stable.

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

**16. Profit Forecast or Profit Guarantee**

There is no profit forecast and profit guarantee.

**17. Income Tax Expense**

|                          | <b>Individual Quarter</b> |                   | <b>Year-To-Date</b>   |                   |
|--------------------------|---------------------------|-------------------|-----------------------|-------------------|
|                          | <b>3 months ended</b>     |                   | <b>9 months ended</b> |                   |
|                          | <b>31.03.2010</b>         | <b>31.03.2009</b> | <b>31.03.2010</b>     | <b>31.03.2009</b> |
|                          | <b>RM'000</b>             | <b>RM'000</b>     | <b>RM'000</b>         | <b>RM'000</b>     |
| Current tax:             |                           |                   |                       |                   |
| Malaysian income tax     | <u>179</u>                | <u>90</u>         | <u>397</u>            | <u>217</u>        |
| Total income tax expense | <u>179</u>                | <u>90</u>         | <u>397</u>            | <u>217</u>        |

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

**18. Sale of Unquoted Investments and Properties**

There were no sales of unquoted investments and properties.

**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**

**19. Quoted Securities**

There was no purchase or disposal of quoted securities for the current quarter and year-to-date.

Details of investments in quoted securities classified as available-for-sale financial assets:

|                   | <b>As at<br/>31.03.2010<br/>RM'000</b> |
|-------------------|--|
| At cost           | 12,874                                 |
| At carrying value | 27,205                                 |
| At market value   | <u>27,205</u>                          |

**20. Corporate Proposals**

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

**21. Borrowings**

There were no borrowings and debt securities as at 31 March 2010.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 19 May 2010.

**23. Changes in Material Litigation**

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

**24. Dividend Payable**

No interim dividend has been declared for the financial period ended 31 March 2010.

**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. Earnings Per Share**

**(a) Basic**

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

|  | <b>Individual Quarter</b> |                   | <b>Year-To-Date</b>   |                   |
|--|---------------------------|-------------------|-----------------------|-------------------|
|  | <b>3 months ended</b>     |                   | <b>9 months ended</b> |                   |
|  | <b>31.03.2010</b>         | <b>31.03.2009</b> | <b>31.03.2010</b>     | <b>31.03.2009</b> |
| Profit/(Loss) attributable to ordinary equity holders (RM'000) | <u>(482)</u>              | <u>(2,551)</u>    | <u>3,584</u>          | <u>(3,267)</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>(0.80)</u>             | <u>(4.24)</u>     | <u>5.95</u>           | <u>(5.43)</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 2010.

**26. 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 19 May 2010.