

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

**Condensed Consolidated Income Statement**

**For the Year Ended 30 June 2010**

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 12 months ended	
		30.06.2010 RM'000	30.06.2009 RM'000	30.06.2010 RM'000	30.06.2009 RM'000
<b>Revenue</b>	3	1,416	1,644	6,410	6,766
Other Income		-	-	104	1
Changes in Inventories		(61)	(124)	(4)	9
Staff Costs		(160)	(229)	(645)	(760)
Depreciation		(22)	(19)	(83)	(71)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(537)	(604)	(1,947)	(2,346)
Foreign Exchange Loss		(641)	821	(1,235)	(1,254)
Other Expenses		(283)	(171)	(1,366)	(1,360)
<b>Profit / (Loss) from Operations</b>	3	(288)	1,318	1,234	985
Share of Profit / (Loss) of Associates		5,014	(3,008)	7,473	(5,725)
<b>Profit / (Loss) before Taxation</b>		4,726	(1,690)	8,707	(4,740)
Income tax expense	17	201	(83)	(196)	(300)
<b>Profit / (Loss) for the year</b>		4,927	(1,773)	8,511	(5,040)
<b>Earnings / (Loss) per share attributable to equity holders:</b>					
Basic (Sen)	25(a)	8.19	(2.95)	14.14	(8.37)
Diluted (Sen)	25(b)	8.19	(2.95)	14.14	(8.37)

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 30 June 2010**

		(Unaudited) As at 30.06.2010 RM'000	(Audited) As at 30.6.2009 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		73,727	73,807
Biological assets		336	336
Investment in associates		230,517	190,625
Available-for-sale investments	19	27,345	20,377
Deferred tax asset		127	144
		<u>332,052</u>	<u>285,289</u>
<b>Current assets</b>			
Inventories		32	36
Trade and other receivables	4	3,788	516
Tax recoverable		568	369
Cash and bank balances		42,615	47,012
		<u>47,003</u>	<u>47,933</u>
<b>TOTAL ASSETS</b>		<u>379,055</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		316,662	270,731
		<u>376,853</u>	<u>330,922</u>
<b>Non-current liabilities</b>			
Provision for retirement benefits		550	550
<b>Current liabilities</b>			
Trade and other payables		1,652	1,750
Tax payable		-	-
		<u>1,652</u>	<u>1,750</u>
<b>Total liabilities</b>		<u>2,202</u>	<u>2,300</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>379,055</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 Year Ended 30 June 2010**

(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	
<b>At 1 July 2009</b>	60,191	25,825	156,629	7,511	631	2,707	10,000	67,428	330,922
Transfer (from) / to reserve									
- Replanting expenses	-	-	-	-	-	(400)	-	400	-
Share of associated companies' reserves	-	-	32,936	-	-	-	-	-	32,936
Revaluation surplus on plantation land	-	(115)	-	-	-	-	-	-	(115)
Foreign currency translation	-	-	-	-	(2,628)	-	-	-	(2,628)
Fair value gain:									
- Available-for-sale investments	-	-	-	7,678	-	-	-	-	7,678
Net income/(expense) recognised directly in equity	-	(115)	32,936	7,678	(2,628)	(400)	-	400	37,871
Profit for the year	-	-	-	-	-	-	-	8,511	8,511
Total recognised income and expense for the year	-	(115)	32,936	7,678	(2,628)	(400)	-	8,911	46,382
Dividend	-	-	-	-	-	-	-	(451)	(451)
<b>At 30 June 2010</b>	60,191	25,710	189,565	15,189	(1,997)	2,307	10,000	75,888	376,853

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity (Cont'd)****For the Year Ended 30 June 2010**

(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	
<b>At 1 July 2008</b>	60,191	25,825	196,269	12,364	(2,383)	3,110	10,000	73,194	378,570
Transfer (from) / to reserve									
- Replanting expenses	-	-	-	-	-	(403)	-	403	-
Share of associated companies' reserves	-	-	(39,640)	-	-	-	-	-	(39,640)
Foreign currency translation	-	-	-	-	3,014	-	-	-	3,014
Fair value loss:									
- Available-for-sale investments	-	-	-	(4,853)	-	-	-	-	(4,853)
Net income/(expense) recognised directly in equity	-	-	(39,640)	(4,853)	3,014	(403)	-	403	(41,479)
Loss for the year	-	-	-	-	-	-	-	(5,040)	(5,040)
Total recognised income and expense for the year	-	-	(39,640)	(4,853)	3,014	(403)	-	(4,637)	(46,519)
Dividends	-	-	-	-	-	-	-	(1,129)	(1,129)
<b>At 30 June 2009</b>	60,191	25,825	156,629	7,511	631	2,707	10,000	67,428	330,922

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 Year Ended 30 June 2010**

(The figures have not been audited)

	<b>12 months ended</b>	
	<b>30.06.2010</b>	<b>30.06.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash used in operating activities	(3,022)	(567)
Net cash generated from investing activities	1,201	2,189
Net cash used in financing activities	(451)	(1,129)
Net (decrease) / increase in cash and cash equivalents	<u>(2,272)</u>	<u>493</u>
Effects of exchange rate changes	(2,125)	347
Cash and cash equivalents at beginning of financial year	<u>47,012</u>	<u>46,172</u>
Cash and cash equivalents at end of financial year	<u>42,615</u>	<u>47,012</u>

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

	<b>As at</b>	<b>As at</b>
	<b>30.06.2010</b>	<b>30.06.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>42,615</u>	<u>47,012</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**

	12 months ended	
	30.06.2010	30.06.2009
	RM'000	RM'000
<b>Segment Revenue</b>		
Plantation	5,206	5,027
Investment	1,204	1,739
Total	<u>6,410</u>	<u>6,766</u>
<b>Segment results</b>		
Plantation	2,694	2,038
Investment	(48)	481
	<u>2,646</u>	<u>2,519</u>
Unallocated corporate expenses	<u>(1,412)</u>	<u>(1,534)</u>
Profit from operations	<u>1,234</u>	<u>985</u>
<b>Segment assets</b>		
Plantation	76,460	76,941
Investment	301,900	255,768
	<u>378,360</u>	<u>332,709</u>
Unallocated corporate expenses	<u>695</u>	<u>513</u>
Total assets	<u>379,055</u>	<u>333,222</u>

**4. Unusual Items due to their Nature, Size or Incidence**

Included in trade and other receivables is an amount of RM3.27 million which has been placed out at the end of June 2010 as an investment which will take effect from 1 July 2010. There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 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.

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

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

**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.

**7. Dividend Paid**

The amount of dividend paid during the financial year ended 30 June 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 year.

**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 30 June 2010.

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

There were no contingent liabilities or contingent assets as at 30 June 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 RM1.42 million was lower than the corresponding quarter ended 30 June 2009 due to lower dividend and interest income. Crop sales were also lower as lower tonnage was harvested.

The revenue of RM6.41 million for the current financial year ended 30 June 2010 was lower than last financial year by about RM356,000 despite higher crop sales. This was due to lower dividend and interest income.

The Group achieved after-tax profit of RM4.93 million for the current quarter and RM8.51 million for the financial year ended 30 June 2010 as compared to the after-tax losses of RM1.77 million and RM5.04 million suffered during last year's corresponding quarter and year-to-date respectively. These were mainly due to share of associates' result was a profit of RM5.01 million for the current quarter and RM7.47 million for the financial year ended 30 June 2010 as compared to last year's corresponding quarter's and year-to-date's losses of RM3.01 million and RM5.73 million respectively.

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

For the quarter under review, the Group's revenue of RM1.42 million was lower than the immediate preceding quarter's RM1.48 million. This was mainly due to lower crop sales partially offset by dividend income of RM95,000 received as compared to none during the immediate preceding quarter ended 31 March 2010.

The Group achieved a pre-tax profit of RM4.73 million for the current quarter ended 30 June 2010 as compared to the immediate preceding quarter's pre-tax loss of RM303,000. This was mainly due to share of associates' result amounting to RM5.01 million for the current quarter as compared to the share of associates' loss of RM45,000 for the immediate preceding quarter ended 31 March 2010.

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**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 next financial year ending 30 June 2011 is not expected to improve significantly. For the 1st half of the next financial year, the effect of La Nina may have a major impact on oil palm production as heavier rainfall may hamper harvesting. Major palm oil traders are switching to soyabeans and its oil as profit margins from refining crude palm oil narrow. This may result in fall in FFB prices.

For the 2nd half of the financial year ending 30 June 2011, production is expected to increase while 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 or profit guarantee.

**17. Income Tax Expense**

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.06.2010</b>	<b>30.06.2009</b>	<b>30.06.2010</b>	<b>30.06.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	78	121	475	338
	<u>78</u>	<u>121</u>	<u>475</u>	<u>338</u>
Over provision of Malaysian income tax in prior years	(296)	(79)	(296)	(79)
	<u>(218)</u>	<u>42</u>	<u>179</u>	<u>259</u>
Deferred taxation	17	41	17	41
	<u>17</u>	<u>41</u>	<u>17</u>	<u>41</u>
Total income tax expense	<u>(201)</u>	<u>83</u>	<u>196</u>	<u>300</u>

The effective tax rates for the current quarter and financial year ended 30 June 2010 were lower than the statutory rates due to certain income not subject to tax while last year's corresponding quarter and year-to-date were higher than the statutory tax rates as certain expenses were not deductible for tax purposes.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

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

There were no sales of unquoted investments and properties.

**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 30.06.2010 RM'000</b>
At cost	13,922
At carrying value	27,345
At market value	<u>27,345</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 30 June 2010.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 26 August 2010.

**23. 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**

**24. Dividend Payable**

No interim dividend has been declared for the financial year ended 30 June 2010.

**25. 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 year.

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.06.2010</b>	<b>30.06.2009</b>	<b>30.06.2010</b>	<b>30.06.2009</b>
Profit/(Loss) attributable to ordinary equity holders (RM'000)	<u>4,927</u>	<u>(1,773)</u>	<u>8,511</u>	<u>(5,040)</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>8.19</u>	<u>(2.95)</u>	<u>14.14</u>	<u>(8.37)</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 June 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 26 August 2010.