

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

Consolidated Statement Of Comprehensive Income
For the Period Ended 31 December 2010
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 6 months ended	
		31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Revenue	3	2,639	2,139	3,960	3,519
Other Income		1	-	1	56
Changes in Inventories		(224)	(153)	(12)	(6)
Staff Costs		(160)	(131)	(342)	(309)
Depreciation		(9)	(18)	(15)	(35)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(409)	(478)	(617)	(1,081)
Foreign Exchange Gain		475	(192)	1,260	315
Other Expenses		(217)	(189)	(758)	(679)
Profit from Operations	3	2,096	978	3,477	1,780
Share of Profit of Associates		1,788	765	4,974	2,504
Profit before tax		3,884	1,743	8,451	4,284
Income tax expense	17	(154)	(133)	(319)	(218)
Profit after tax		3,730	1,610	8,132	4,066
<u>Other Comprehensive Income</u>					
Available-for-sale investments:					
Gain on fair value changes		500	1,858	5,093	4,902
Foreign currency translation		51	(559)	(2,233)	(1,030)
Share of other comprehensive income / (loss) of Associates		8,240	(1,600)	3,873	22,969
Revaluation surplus on plantation land		-	5,000	-	5,000
Other comprehensive income for the period, net of tax		8,791	4,699	6,733	31,841
Total comprehensive income for the period		12,521	6,309	14,865	35,907
Earnings per share attributable to equity holders holders:					
Basic (Sen)	25(a)	6.20	2.67	13.51	6.76
Diluted (Sen)	25(b)	6.20	2.67	13.51	6.76

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 December 2010**

	(Unaudited) As at 31.12.2010 RM'000	(Audited) As at 30.6.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,724	73,727
Biological assets	336	336
Investment in associates	238,753	230,517
Available-for-sale investments	35,147	27,345
Deferred tax asset	127	127
	<u>348,087</u>	<u>332,052</u>
Current assets		
Inventories	20	32
Trade and other receivables	1,277	3,788
Tax recoverable	-	568
Cash and bank balances	44,233	42,615
	<u>45,530</u>	<u>47,003</u>
TOTAL ASSETS	<u>393,617</u>	<u>379,055</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders to the Company		
Share capital	60,191	60,191
Reserves	331,076	316,662
	<u>391,267</u>	<u>376,853</u>
Non-current liabilities		
Provision for retirement benefits	74	550
Current liabilities		
Trade and other payables	2,072	1,652
Tax payable	204	-
	<u>2,276</u>	<u>1,652</u>
Total liabilities	<u>2,350</u>	<u>2,202</u>
TOTAL EQUITY AND LIABILITIES	<u>393,617</u>	<u>379,055</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 Period Ended 31 December 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	
Opening balance at 1 July 2010	60,191	25,710	189,565	15,189	(1,997)	2,307	10,000	75,888	376,853
Total comprehensive income for the period	-	-	3,873	5,093	(2,233)	-	-	8,132	14,865
Dividend	-	-	-	-	-	-	-	(451)	(451)
Closing balance at 31 December 2010	<u>60,191</u>	<u>25,710</u>	<u>193,438</u>	<u>20,282</u>	<u>(4,230)</u>	<u>2,307</u>	<u>10,000</u>	<u>83,569</u>	<u>391,267</u>
Opening balance at 1 July 2009	60,191	25,825	156,629	7,511	631	2,707	10,000	67,428	330,922
Total comprehensive income for the period	-	5,000	22,969	4,902	(1,030)	-	-	4,066	35,907
Dividend	-	-	-	-	-	-	-	(451)	(451)
Closing balance at 31 December 2009	<u>60,191</u>	<u>30,825</u>	<u>179,598</u>	<u>12,413</u>	<u>(399)</u>	<u>2,707</u>	<u>10,000</u>	<u>71,043</u>	<u>366,378</u>

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 Period Ended 31 December 2010**

(The figures have not been audited)

	6 months ended	
	31.12.2010	31.12.2009
	RM'000	RM'000
Net cash generated from operating activities	1,485	539
Net cash generated from investing activities	144	254
Net cash used in financing activities	(451)	(451)
Net increase in cash and cash equivalents	<u>1,178</u>	<u>342</u>
Effects of exchange rate changes	440	(258)
Cash and cash equivalents at beginning of financial period	<u>42,615</u>	<u>47,012</u>
Cash and cash equivalents at end of financial period	<u>44,233</u>	<u>47,096</u>

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

	As at	As at
	31.12.2010	31.12.2009
	RM'000	RM'000
Cash and bank balances	<u>44,233</u>	<u>47,096</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 2010. 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 2010.

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 2010.

(a) Adoption of New and Revised FRSS, IC Interpretations and Amendments to FRS

FRSS, Amendments to FRS and IC Interpretations

FRS 4: Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 101 Presentation of Financial Statements (revised)

FRS 123 Borrowing Costs

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127:

Consolidated and Separate Financial Statements: Cost of Investment in Subsidiary Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7:

Financial Instruments: Disclosure and IC Interpretation 9: Reassessment of Embedded Derivatives.

Amendments to FRSS 'Improvement to FRS (2009)'

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

Amendments to FRS 132: Classification of Rights Issue

FRS 1(revised): First-time Adoption of Financial Reporting Standards

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

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation (cont'd)

FRS 3 (revised): Business Combinations
FRS 127 (revised): Consolidated & Separate Financial Statements
Amendments to FRS 2: Share-based Payment
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138: Intangible Assets
IC Interpretation 12: Service Concession Arrangements
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives

Other than the application of FRS 101, the application of new FRSs, Amendments to FRSs and interpretations that are effective for the financial statements commencing on 1 July 2010 did not result in any significant changes in the accounting policies and presentation of financial results of the Group.

FRS101 Presentation of Financial Statements

FRS 101 requires the separation of owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income. Comparative information have been re-presented in conformity with the relevant standard.

In addition, FRS 101 has introduced new title on the financial statements. Statement of Financial Position has replaced Balance Sheet, Statement of Comprehensive Income has replaced Income Statement and Statement of Cash Flows has replaced Cash Flow Statement. This Standard does not have any material impact on the financial position and results of the Group.

(b) Revised FRSs, IC Interpretations and Amendments to FRS issued and not yet effective

The Group has not early adopted the following revised FRSs, IC Interpretations and amendments to FRSs 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
Amendments to FRS 1: Limited exemption for comparative FRS 7: Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendment to FRS 1: Additional exemptions for First-Time Adopters	1 January 2011

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

1. Basis of Preparation (cont'd)

	Effective date for financial periods beginning on or after
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
IC Interpretation 4: Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18: Transfers of Assets from Customers	1 January 2011
Improvements to FRS issued in 2010	1 January 2011
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC interpretation 14: Prepayments of a minimum funding requirement	1 July 2011
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012
FRS 124 : Related Party Disclosures (Revised)	1 January 2012

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2010 was not qualified.

3. Segmental Information

	6 months ended	
	31.12.2010	31.12.2009
	RM'000	RM'000
Segment Revenue		
Plantation	2,670	2,565
Investment	1,290	954
Total	<u>3,960</u>	<u>3,519</u>
Segment results		
Plantation	1,734	1,843
Investment	2,537	1,258
	<u>4,271</u>	<u>3,101</u>
Unallocated corporate expenses	(794)	(1,321)
Profit from operations	<u>3,477</u>	<u>1,780</u>
Segment assets		
Plantation	78,606	81,974
Investment	314,884	286,420
	<u>393,490</u>	<u>368,394</u>
Unallocated corporate asset	127	531
Total assets	<u>393,617</u>	<u>368,925</u>

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

4. 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 December 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.

7. Dividend Paid

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

In respect of the financial year ended 30 June 2010, as reported in the directors' report of that year:

	Amount	Net dividend
	RM	per share
		Sen
First and final dividend of 1% less 25% taxation	451,437	0.8

8. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and 6 months to-date.

9. Changes in Composition of the Group

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

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

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 December 2010.

11. Changes in Contingent Liabilities and Contingent Assets

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

12. Subsequent Events

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

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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 RM2.64 million and RM3.96 million for the period ended 31 December 2010 were higher than the corresponding quarter and period ended 31 December 2009 despite lower interest income and tonnage harvested. This was due to higher crop sales arising mainly from higher FFB prices. Dividend income was also higher.

The Group reported after-tax profit of RM3.73 million and RM8.13 million for the current quarter and period-to-date respectively. These were significantly higher than the after-tax profit achieved for the corresponding quarter and period ended 31 December 2009.

For the current quarter, the unrealised foreign exchange difference was a gain of RM475,000 as compared to the loss of RM192,000 reported for last year's corresponding quarter. Share of associates' financial profit of RM1.79 million was also higher than the quarter ended 31 December 2009 of RM765,000.

For the current period-to-date, the unrealised foreign exchange gain of RM1.26 million was higher than last year's corresponding period of RM315,000. Share of associates' financial profit for the current period-to-date was RM4.97 million which was higher than the RM2.5 million reported a year ago.

**14. 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 RM2.64 million was higher than the immediate preceding quarter of RM1.32 million. This was mainly due to the dividend income of RM1.13 million received in the quarter ended 31 December 2010 while there was none for the immediate preceding quarter ended 30 September 2010.

The pre-tax profit of RM3.88 million achieved by the Group for the current quarter was however, lower than the immediate preceding quarter's pre-tax profit of RM4.57 million. This was due to unrealised foreign exchange gain of RM475,000 was lower than the immediate preceding quarter's RM785,000. Share of associates' profit of RM1.79 million for the current quarter was also lower than the immediate preceding quarter of RM3.19 million.

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**

15. Commentary on Prospects

The plantation is expected to perform satisfactorily as the average FFB prices have strengthened substantially since the end of the previous financial year. They are expected to remain strong for the rest of the financial year ending 30 June 2011.

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

	Individual Quarter		Year-To-Date	
	3 months ended		6 months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	154	133	319	218
Total income tax expense	<u>154</u>	<u>133</u>	<u>319</u>	<u>218</u>

The effective tax rates for the current quarter, current period-to-date, last year's corresponding quarter and period-to-date were lower than the statutory tax rates as certain income are not subject to tax.

18. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties.

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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 other.

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

	As at 31.12.2010 RM'000
At cost	47
At carrying value	5,541
At market value	<u>5,541</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 December 2010.

22. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 28 February 2011.

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

The Board approved a special interim dividend of 1% less 25% taxation for the financial year ending 30 June 2011. The book closure date will be determined in due course.

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 per share amounts are calculated by dividing profit for the period 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		6 months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Profit attributable to ordinary equity holders (RM'000)	<u>3,730</u>	<u>1,610</u>	<u>8,132</u>	<u>4,066</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>6.20</u>	<u>2.67</u>	<u>13.51</u>	<u>6.76</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 31 December 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

26. Disclosure of Realised and Unrealised Profits / (Losses)

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed companies to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses. On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, issued by the Malaysian Institute of Accountants on 20 December 2010.

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 as at 31 December 2010, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	As at 31.12.10 RM'000	As at 30.09.10 RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	39,244	37,617
- Unrealised	(2,657)	(3,152)
	36,587	34,465
Total share of retained profits from associated companies:		
- Realised	38,548	37,623
- Unrealised	14,438	13,574
	52,986	51,197
	89,573	85,662
Less: Consolidation adjustments	(6,004)	(5,372)
	<u>83,569</u>	<u>80,290</u>

27. 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 28 February 2011.