

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 31 March 2011
(The figures have not been audited)

| | Note | Individual Quarter 3 months ended | | Year to Date 9 months ended | |
|--|-------|--------------------------------------|--------------------|--------------------------------|--------------------|
| | | 31.03.11 RM'000 | 31.03.10 RM'000 | 31.03.11 RM'000 | 31.03.10 RM'000 |
| Revenue | 3 | 1,697 | 1,475 | 5,657 | 4,994 |
| Other Income | | - | 48 | 1 | 104 |
| Changes in Inventories | | 184 | 63 | 172 | 57 |
| Staff Costs | | (108) | (176) | (450) | (485) |
| Depreciation | | (7) | (26) | (22) | (61) |
| Subcontract Labour Costs, Fertilizer and Chemical Costs | | (311) | (329) | (928) | (1,410) |
| Foreign Exchange Gain / (Loss) | | 258 | (909) | 1,518 | (594) |
| Other Expenses | | (534) | (404) | (1,292) | (1,083) |
| Profit / (Loss) from Operations | 3 | 1,179 | (258) | 4,656 | 1,522 |
| Share of Profit / (Loss) of Associates | | 1,781 | (45) | 6,755 | 2,459 |
| Profit / (Loss) before tax | | 2,960 | (303) | 11,411 | 3,981 |
| Income tax expense | 17 | (118) | (179) | (437) | (397) |
| Profit / (Loss) after tax | | 2,842 | (482) | 10,974 | 3,584 |
| <u>Other Comprehensive Income</u> | | | | | |
| Available-for-sale investments: Gain / (Loss) on fair value changes | | (1,086) | 2,632 | 4,007 | 7,534 |
| Foreign currency translation | | (827) | (1,608) | (3,060) | (2,638) |
| Share of other comprehensive (loss) / income of Associates | | (7,466) | 5,987 | (3,593) | 28,956 |
| Revaluation surplus on plantation land | | - | - | - | 5,000 |
| Other comprehensive (loss) / income for the period, net of tax | | (9,379) | 7,011 | (2,646) | 38,852 |
| Total comprehensive (loss) / income for the period | | (6,537) | 6,529 | 8,328 | 42,436 |
| Earnings / (Loss) per share attributable to equity holders holders: | | | | | |
| Basic (Sen) | 25(a) | 4.72 | (0.80) | 18.23 | 5.95 |
| Diluted (Sen) | 25(b) | 4.72 | (0.80) | 18.23 | 5.95 |

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 March 2011**

| | (Unaudited) | (Audited) |
|---|----------------|----------------|
| | As at | As at |
| | 31.03.11 | 30.6.2010 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 73,717 | 73,727 |
| Biological assets | 336 | 336 |
| Investment in associates | 233,068 | 230,517 |
| Available-for-sale investments | 33,556 | 27,345 |
| Deferred tax asset | 127 | 127 |
| | <u>340,804</u> | <u>332,052</u> |
| Current assets | | |
| Inventories | 204 | 32 |
| Trade and other receivables | 484 | 3,788 |
| Tax recoverable | - | 568 |
| Cash and bank balances | 45,205 | 42,615 |
| | <u>45,893</u> | <u>47,003</u> |
| TOTAL ASSETS | <u>386,697</u> | <u>379,055</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders to the Company | | |
| Share capital | 60,191 | 60,191 |
| Reserves | 324,539 | 316,662 |
| | <u>384,730</u> | <u>376,853</u> |
| Non-current liabilities | | |
| Provision for retirement benefits | 78 | 550 |
| Current liabilities | | |
| Trade and other payables | 1,747 | 1,652 |
| Tax payable | 142 | - |
| | <u>1,889</u> | <u>1,652</u> |
| Total liabilities | <u>1,967</u> | <u>2,202</u> |
| TOTAL EQUITY AND LIABILITIES | <u>386,697</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 Financial Period Ended 31 March 2011**

(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 | - | - | (3,593) | 4,007 | (3,060) | - | - | 10,974 | 8,328 |
| Dividend | - | - | - | - | - | - | - | (451) | (451) |
| Closing balance at 31 March 2011 | <u>60,191</u> | <u>25,710</u> | <u>185,972</u> | <u>19,196</u> | <u>(5,057)</u> | <u>2,307</u> | <u>10,000</u> | <u>86,411</u> | <u>384,730</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 | 28,956 | 7,534 | (2,638) | - | - | 3,584 | 42,436 |
| Dividend | - | - | - | - | - | - | - | (451) | (451) |
| Closing balance at 31 March 2010 | <u>60,191</u> | <u>30,825</u> | <u>185,585</u> | <u>15,045</u> | <u>(2,007)</u> | <u>2,707</u> | <u>10,000</u> | <u>70,561</u> | <u>372,907</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 Financial Period Ended 31 March 2011**

(The figures have not been audited)

| | 9 months ended | |
|--|-----------------------|-----------------|
| | 31.03.11 | 31.03.10 |
| | RM'000 | RM'000 |
| Net cash generated from operating activities | 1,500 | 359 |
| Net cash generated from investing activities | 1,165 | 1,059 |
| Net cash used in financing activities | (451) | (451) |
| Net increase in cash and cash equivalents | <u>2,214</u> | <u>967</u> |
| Effects of exchange rate changes | 376 | (2,040) |
| 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>45,205</u> | <u>45,939</u> |

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

| | As at | As at |
|------------------------|-----------------|-----------------|
| | 31.03.11 | 31.03.10 |
| | RM'000 | RM'000 |
| Cash and bank balances | <u>45,205</u> | <u>45,939</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.

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 Equity 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: Disclosures 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 Limited 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 |
| FRS 3 (revised): | Business Combinations |
| FRS 127 (revised): | Consolidated & Separate Financial Statements |
| Amendments to FRS 2: | Share-based Payment |

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

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation (cont'd)

| | |
|------------------------|--|
| 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 |

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 comparatives FRS 7: | |
| | Disclosures for First-time Adopters | 1 January 2011 |
| Amendments to FRS 7: | Improving Disclosures about Financial Instruments | 1 January 2011 |
| Amendments to FRS 1: | Additional exemptions for First-time Adopters | 1 January 2011 |
| 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 |

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 |
|-----------------------|--|---|
| IC Interpretation 18: | Transfers of Assets from Customers | 1 January 2011 |
| | Improvements to FRSs 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

| | 9 months ended | |
|--------------------------------|-----------------------|-----------------|
| | 31.03.11 | 31.03.10 |
| | RM'000 | RM'000 |
| Segment Revenue | | |
| Plantation | 4,290 | 3,963 |
| Investment | 1,367 | 1,031 |
| Total | <u>5,657</u> | <u>4,994</u> |
| Segment results | | |
| Plantation | 2,925 | 2,151 |
| Investment | 2,890 | 425 |
| | <u>5,815</u> | <u>2,576</u> |
| Unallocated corporate expenses | (1,159) | (1,054) |
| Profit from operations | <u>4,656</u> | <u>1,522</u> |
| Segment assets | | |
| Plantation | 77,792 | 81,209 |
| Investment | 308,778 | 293,341 |
| | <u>386,570</u> | <u>374,550</u> |
| Unallocated corporate asset | 127 | 494 |
| Total assets | <u>386,697</u> | <u>375,044</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 March 2011.

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 dividends paid during the financial period ended 31 March 2011 were as follows:-

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

| | Amount RM | Net dividend per share Sen |
|--|----------------------|---|
| First and final dividend of 1% less 25% taxation | <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.

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

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 2011.

11. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 March 2011.

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 RM1.70 million and RM5.66 million for the period ended 31 March 2011 were higher than the corresponding quarter and period ended 31 March 2010 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 for the current period-to-date.

The Group also recorded after-tax profit of RM2.84 million and RM10.97 million for the current quarter and period-to-date respectively as compared to the after-tax loss of RM482,000 and after-tax profit of RM3.58 million reported for last year's corresponding quarter and period-to-date respectively. These were primarily attributable to higher revenue as well as positive turn around in the foreign exchange positions from unrealised losses of RM909,000 and RM594,000 suffered during last year's corresponding quarter and period-to-date to unrealised gains of RM258,000 and RM1.52 million for the current quarter and period ended 31 March 2011. Share of associates' financial profit of RM1.78 million and RM6.76 million for the current quarter and period-to-date were also higher as share of last year's corresponding quarter was a loss of RM45,000 and period-to-date was a profit of RM2.46 million.

**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 RM1.70 million was lower than the immediate preceding quarter of RM2.64 million. This was mainly due to no dividend income was received during the current quarter as compared to the receipt of RM1.13 million during the immediate preceding quarter ended 31 December 2010.

The pre-tax profit of RM2.96 million achieved by the Group for the current quarter was also lower than the immediate preceding quarter's pre-tax profit of RM3.88 million by 24%. This was due to lower revenue and unrealised foreign exchange gain of RM258,000 was lower than the immediate preceding quarter's RM475,000.

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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 stable 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 | | 9 months ended | |
| | 31.03.11 | 31.03.10 | 31.03.11 | 31.03.10 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax: | | | | |
| Malaysian income tax | 118 | 179 | 437 | 397 |
| Total income tax expense | <u>118</u> | <u>179</u> | <u>437</u> | <u>397</u> |

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

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:

| | As at |
|-------------------|-----------------|
| | 31.03.11 |
| | RM'000 |
| At cost | 47 |
| At carrying value | 5,465 |
| At market value | <u>5,465</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 2011.

22. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 30 May 2011.

23. 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**

24. Dividend Payable

On 31 March 2011, the Board of Directors declared an interim dividend of 1% in respect of the financial year ending 30 June 2011. This interim dividend, less income tax of 25%, amounting to RM451,437 was paid on 29 April 2011 (2010: Nil).

25. Earnings Per Share

(a) Basic

Basic earnings / (loss) 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 | | 9 months ended | |
| | 31.03.11 | 31.03.10 | 31.03.11 | 31.03.10 |
| Profit / (Loss) attributable to ordinary equity holders (RM'000) | <u>2,842</u> | <u>(482)</u> | <u>10,974</u> | <u>3,584</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>4.72</u> | <u>(0.80)</u> | <u>18.23</u> | <u>5.95</u> |

(b) Diluted

Diluted earnings /(loss) per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 31 March 2011.

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)

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 March 2011, pursuant to the format prescribed by Bursa Malaysia, is as follows:

| | As at 31.03.11 RM'000 |
|---|--------------------------------------|
| Total retained (losses) / profits of the Group and its subsidiaries: | |
| - Realised | 40,043 |
| - Unrealised | (2,706) |
| | 37,337 |
| Total share of retained profits from associated companies: | |
| - Realised | 39,707 |
| - Unrealised | 15,059 |
| | 54,766 |
| | <hr/> 92,103 |
| Less: Consolidation adjustments | (5,692) |
| | <hr/> 86,411 <hr/> |

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 30 May 2011.