

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 30 September 2011
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 3 months ended	
		30.09.11 RM'000	30.09.10 RM'000	30.09.11 RM'000	30.09.10 RM'000
Revenue	3	1,889	1,321	1,889	1,321
Changes in Inventories		2	212	2	212
Staff Costs		(120)	(182)	(120)	(182)
Depreciation		(7)	(6)	(7)	(6)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(616)	(208)	(616)	(208)
Foreign Exchange Gain / (Loss)		(742)	785	(742)	785
Other Expenses		(391)	(541)	(391)	(541)
Profit from Operations	3	15	1,381	15	1,381
Share of (Loss) / Profit of Associates		(150)	3,186	(150)	3,186
(Loss) / Profit before tax		(135)	4,567	(135)	4,567
Income tax expense	17	(199)	(165)	(199)	(165)
(Loss) / Profit after tax		(334)	4,402	(334)	4,402
<u>Other Comprehensive Income</u>					
Available-for-sale investments: (Loss) / Gain on fair value changes		(4,816)	4,593	(4,816)	4,593
Foreign currency translation		2,273	(2,284)	2,273	(2,284)
Share of other comprehensive expenses of Associates		(18,620)	(4,367)	(18,620)	(4,367)
Other comprehensive loss for the period, net of tax		(21,163)	(2,058)	(21,163)	(2,058)
Total comprehensive (loss) / income for the period		(21,497)	2,344	(21,497)	2,344
(Loss) / Earnings per share attributable to equity holders holders:					
Basic (Sen)	25(a)	(0.55)	7.31	(0.55)	7.31
Diluted (Sen)	25(b)	(0.55)	7.31	(0.55)	7.31

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 30 September 2011**

	(Unaudited) As at 30.09.11 RM'000	(Audited) As at 30.6.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,706	73,713
Biological assets	336	336
Investment in associates	220,183	238,954
Available-for-sale investments	32,832	36,096
	<u>327,057</u>	<u>349,099</u>
Current assets		
Inventories	20	18
Trade and other receivables	436	455
Tax recoverable	-	36
Cash and bank balances	44,989	44,112
	<u>45,445</u>	<u>44,621</u>
TOTAL ASSETS	<u>372,502</u>	<u>393,720</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,191	60,191
Reserves	310,193	331,690
	<u>370,384</u>	<u>391,881</u>
Non-current liabilities		
Deferred tax liability	11	11
Provision for retirement benefits	82	80
	<u>93</u>	<u>91</u>
Current liabilities		
Trade and other payables	2,001	1,748
Tax payable	24	-
	<u>2,025</u>	<u>1,748</u>
Total liabilities	<u>2,118</u>	<u>1,839</u>
TOTAL EQUITY AND LIABILITIES	<u>372,502</u>	<u>393,720</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 30 September 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 2011	60,191	25,710	188,769	19,712	(5,054)	2,307	10,000	90,246	391,881
Total comprehensive income / (loss) for the period	-	-	(18,620)	(4,816)	2,273	-	-	(334)	(21,497)
Closing balance at 30 September 2011	<u>60,191</u>	<u>25,710</u>	<u>170,149</u>	<u>14,896</u>	<u>(2,781)</u>	<u>2,307</u>	<u>10,000</u>	<u>89,912</u>	<u>370,384</u>
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 / (loss) for the period	-	-	(4,367)	4,593	(2,284)	-	-	4,402	2,344
Closing balance at 30 September 2010	<u>60,191</u>	<u>25,710</u>	<u>185,198</u>	<u>19,782</u>	<u>(4,281)</u>	<u>2,307</u>	<u>10,000</u>	<u>80,290</u>	<u>379,197</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 30 September 2011**

(The figures have not been audited)

	3 months ended	
	30.09.11	30.09.10
	RM'000	RM'000
Net cash generated from operating activities	809	1,483
Net cash generated from investing activities	89	52
Net increase in cash and cash equivalents	<u>898</u>	<u>1,535</u>
Effects of exchange rate changes	(21)	(59)
Cash and cash equivalents at beginning of financial period	<u>44,112</u>	<u>42,615</u>
Cash and cash equivalents at end of financial period	<u>44,989</u>	<u>44,091</u>

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

	As at	As at
	30.09.11	30.09.10
	RM'000	RM'000
Cash and bank balances	<u>44,989</u>	<u>44,091</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)
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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 2011. 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 2011.

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 2011.

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

FRSs, Amendments to FRS and IC Interpretations

Amendments to FRS 1:	Limited exemption for comparatives FRS 7: Disclosures for First-time Adopters
Amendments to FRS 7:	Improving Disclosures about Financial Instruments
Amendments to FRS 1:	Additional exemptions for First-time Adopters
Amendments to FRS 2:	Group Cash-settled Share-based Payment Transactions
IC Interpretation 4:	Determining whether an Arrangement contains a Lease
IC Interpretation 18:	Transfers of Assets from Customers
Improvements to FRSs issued in 2010	
IC Interpretation 19:	Extinguishing Financial Liabilities with Equity Investments
Amendments to IC	
Interpretation 14:	Prepayments of a Minimum Funding Requirement
TR 3:	Guidance on Disclosure of Transition to IFRSs
TR i - 4:	Shariah Compliant Sale Contracts

Except for the new disclosures required under the Amendments to FRS 7, the application of new FRSs, Amendments to FRSs and interpretations that are effective for the financial statements commencing on 1 July 2011 did not result in any significant changes in the accounting policies and presentation of financial results of the Group.

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)

(b) Revised FRS and IC Interpretation issued and not yet effective

The Group has not early adopted the following revised FRS and IC Interpretation 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
IC Interpretation 15:	Agreements for the Construction of Real Estate	1 January 2012
FRS 124 (revised) :	Related Party Disclosures	1 January 2012

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2011 was not qualified.

3. Segmental Information

	3 months ended	
	30.09.11	30.09.10
	RM'000	RM'000
Segment Revenue		
Plantation	1,799	1,240
Investment	90	81
Total	<u>1,889</u>	<u>1,321</u>
Segment results		
Plantation	1,062	875
Investment	(654)	860
	408	1,735
Unallocated corporate expenses	(393)	(354)
Profit from operations	<u>15</u>	<u>1,381</u>
Segment assets		
Plantation	77,577	78,076
Investment	294,925	303,865
	372,502	381,941
Unallocated corporate asset	-	127
Total assets	<u>372,502</u>	<u>382,068</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 30 September 2011.

5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter 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

No dividend was paid since the last quarter.

8. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter.

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 September 2011.

11. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2011.

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 of RM1.89 million for the current quarter was higher than RM1.32 million reported a year ago. This increase of 43% was mainly due to higher crop sales arising from higher tonnage harvested and FFB prices. Interest income was also slightly higher.

For the current quarter, the Group suffered after-tax loss of RM334,000 as compared to the after-tax profit of RM4.40 million achieved during last year's corresponding quarter. This was mainly due to the unrealised exchange loss of RM742,000 as compared to the corresponding quarter's unrealised exchange gain of RM785,000. Share of associates' financial result was a loss of RM150,000 for the current quarter as compared to the share of profit of RM3.19 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 RM1.89 million was slightly lower than the immediate preceding quarter of RM1.92 million despite higher crop sales on account of higher tonnage harvested. This was mainly due to dividend income of RM100,000 received during the immediate preceding quarter while there was none during the current quarter..

The Group suffered a pre-tax loss of RM135,000 for the current quarter as compared to the immediate preceding quarter's pre-tax profit of RM4.61 million. This was due to:-

- 1) The unrealised exchange difference was a loss of RM742,000 for the current quarter as compared to the gain of RM497,000 for the immediate preceding quarter.
- 2) Share of associates' financial result for the current quarter was a loss of RM150,000 while the immediate preceding quarter was a profit of RM3.42 million.

15. Commentary on Prospects

Prospects for the oil palm industry is expected to remain strong for the rest of the financial year ending 30 June 2012. The Group's plantation performance is expected to achieve satisfactory levels of profitability, barring unforeseen circumstances.

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

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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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		3 months ended	
	30.09.11	30.09.10	30.09.11	30.09.10
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	199	165	199	165
Total income tax expense	<u>199</u>	<u>165</u>	<u>199</u>	<u>165</u>

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

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.

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

	As at 30.09.11 RM'000
At cost	47
At carrying value	5,365
At market value	<u>5,365</u>

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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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 September 2011.

22. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 24 November 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 following dividends in respect of the financial year ended 30 June 2011 on 60,191,550 ordinary shares have been approved by the shareholders at the Annual General Meeting on 24 November 2011:

	Amount	Net dividend
	RM	per share
		Sen
Final dividend of 1% less 25% taxation	451,437	0.750
Bonus dividend of 0.5% less 25% taxation	225,718	0.375
	<u>677,155</u>	<u>1.125</u>

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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 (loss) / earnings per share amounts are calculated by dividing (loss) / 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		3 months ended	
	30.09.11	30.09.10	30.09.11	30.09.10
(Loss) / Profit attributable to ordinary equity holders (RM'000)	<u>(334)</u>	<u>4,402</u>	<u>(334)</u>	<u>4,402</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 (loss) / earnings per share (Sen)	<u>(0.55)</u>	<u>7.31</u>	<u>(0.55)</u>	<u>7.31</u>

(b) Diluted

Diluted (loss) / earnings per share is the same as basic (loss) / earnings per share as there is no dilutive potential ordinary shares outstanding as at 30 September 2011.

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

	As at 30.09.11 RM'000	As at 30.09.10 RM'000
Total retained (losses) / profits of the Group and its subsidiaries:		
- Realised	40,848	37,617
- Unrealised	(2,162)	(3,152)
	38,686	34,465
Total share of retained profits from associated companies:		
- Realised	41,757	37,623
- Unrealised	16,283	13,574
	58,040	51,197
	96,726	85,662
Less: Consolidation adjustments	(6,814)	(5,372)
	<u>89,912</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 24 November 2011.