

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

Condensed Consolidated Income Statement

For the Three-Month Period Ended 30 September 2007

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 3 months ended	
		30.09.2007 RM'000	30.09.2006 RM'000	30.09.2007 RM'000	30.09.2006 RM'000
Revenue	4	2,020	1,473	2,020	1,473
Other Income		37	-	37	-
Changes in Inventories		86	151	86	151
Staff Costs		(108)	(147)	(108)	(147)
Depreciation		(15)	(23)	(15)	(23)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(498)	(391)	(498)	(391)
Foreign Exchange Gain / (Loss)		725	(22)	725	(22)
Other Expenses		(433)	(461)	(433)	(461)
Profit from Operations	4	1,814	580	1,814	580
Share of Profit of Associates		3,333	2,463	3,333	2,463
Profit before Taxation		5,147	3,043	5,147	3,043
Income tax expense	18	(252)	(157)	(252)	(157)
Net profit for the period		4,895	2,886	4,895	2,886
Earnings per share attributable to equity holders:					
Basic (Sen)	26(a)	8.13	4.79	8.13	4.79
Diluted (Sen)	26(b)	8.13	4.79	8.13	4.79

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 September 2007**

		(Unaudited)	(Audited)
		As at	As at
	Note	30.09.2007	30.6.2007
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		74,168	74,010
Investment in associates		226,760	225,803
Available-for-sale investments	20	26,066	26,783
Deferred tax asset		185	185
		<u>327,179</u>	<u>326,781</u>
Current assets			
Inventories		110	24
Trade and other receivables		639	462
Cash and bank balances		40,578	40,245
		<u>41,327</u>	<u>40,731</u>
TOTAL ASSETS		<u>368,506</u>	<u>367,512</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders to the Company			
Share capital		60,191	60,191
Reserves		305,586	303,970
		<u>365,777</u>	<u>364,161</u>
Non-current liabilities			
Retirement benefit obligations		445	434
Current liabilities			
Trade and other payables		2,053	2,842
Current tax payable		231	75
		<u>2,284</u>	<u>2,917</u>
Total liabilities		<u>2,729</u>	<u>3,351</u>
TOTAL EQUITY AND LIABILITIES		<u>368,506</u>	<u>367,512</u>

The condensed consolidated balance sheet 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 Statement of Changes in Equity

For the Three-Month Period Ended 30 September 2007

(The figures have not been audited)

	← Non-Distributable →			← Distributable →					
	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	Total Equity RM'000
At 1 July 2007	60,191	25,825	198,805	15,345	(314)	3,259	10,000	51,050	364,161
Share of associated companies' reserves	-	-	(2,376)	-	-	-	-	-	(2,376)
Foreign currency translation	-	-	-	-	(432)	-	-	-	(432)
Fair value gain	-	-	-	(471)	-	-	-	-	(471)
- Available-for-sale investments	-	-	-	(471)	-	-	-	-	(471)
Net income/(expense) recognised directly in equity	-	-	(2,376)	(471)	(432)	-	-	-	(3,279)
Profit for the period	-	-	-	-	-	-	-	4,895	4,895
Total recognised income and expense for the period	-	-	(2,376)	(471)	(432)	-	-	4,895	1,616
At 30 September 2007	60,191	25,825	196,429	14,874	(746)	3,259	10,000	55,945	365,777

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

(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity (Cont'd)

For the Three-Month Period Ended 30 September 2007

(The figures have not been audited)

	← Non-Distributable →			← Distributable →					
	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	Total Equity RM'000
At 1 July 2006	60,191	22,230	96,858	-	1,739	3,564	10,000	28,028	222,610
Effects of adopting:									
FRS 139	-	-	82,062	11,301	-	-	-	-	93,363
FRS 140	-	-	-	-	-	-	-	8,604	8,604
	<u>60,191</u>	<u>22,230</u>	<u>178,920</u>	<u>11,301</u>	<u>1,739</u>	<u>3,564</u>	<u>10,000</u>	<u>36,632</u>	<u>324,577</u>
Share of associated companies' reserves	-	-	5,816	-	-	-	-	-	5,816
Foreign currency translation	-	-	-	-	122	-	-	-	122
Fair value gain									
- Available-for-sale investments	-	-	-	380	-	-	-	-	380
Net income/(expense) recognised directly in equity	-	-	5,816	380	122	-	-	-	6,318
Profit for the period	-	-	-	-	-	-	-	2,886	2,886
Total recognised income and expense for the period	-	-	5,816	380	122	-	-	2,886	9,204
At 30 September 2006	<u>60,191</u>	<u>22,230</u>	<u>184,736</u>	<u>11,681</u>	<u>1,861</u>	<u>3,564</u>	<u>10,000</u>	<u>39,518</u>	<u>333,781</u>

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 Three-Month Period Ended 30 September 2007**

(The figures have not been audited)

	3 months ended	
	30.09.2007	30.09.2006
	RM'000	RM'000
Net cash (used in) / generated from operating activities	(366)	589
Net cash generated from investing activities	141	255
Net (decrease) / increase in cash and cash equivalents	<u>(225)</u>	<u>844</u>
Effects of exchange rate changes	558	55
Cash and cash equivalents at beginning of financial period	<u>40,245</u>	<u>41,788</u>
Cash and cash equivalents at end of financial period	<u>40,578</u>	<u>42,687</u>

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

	As at	As at
	30.09.2007	30.09.2006
	RM'000	RM'000
Cash and bank balances	<u>40,578</u>	<u>42,687</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 under the historical cost convention except for the assets and liabilities that are stated at fair values: available-for-sale investments and investment properties.

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.

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 2007.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") :

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 117: Leases	1 October 2006
FRS 124: Related Party Disclosures	1 October 2006
FRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119 ₂₀₀₄ : Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS 112: Income Taxes	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134: Interim Financial Reporting	1 July 2007
FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007

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

Part A - Explanatory Notes Pursuant to FRS 134

2. Changes in Accounting Policies (Cont'd)

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 ₂₀₀₄ - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The adoption of the above new/revised FRSs does not have any significant financial impact on the Group in the current and prior financial year.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2007 was not qualified.

4. Segmental Information

	3 months ended	
	30.09.2007	30.09.2006
	RM'000	RM'000
Segment Revenue		
Plantation	1,693	1,202
Investment	327	271
Total	<u>2,020</u>	<u>1,473</u>
Segment results		
Plantation	963	692
Investment	1,163	223
	<u>2,126</u>	<u>915</u>
Unallocated corporate expenses	(312)	(335)
Profit from operations	<u>1,814</u>	<u>580</u>

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

5. 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 30 September 2007.

6. Changes in Estimates

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

7. 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.

8. Dividends Paid

No dividend was paid since the last quarter.

9. Debt and Equity Securities

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

10. Changes in Composition of the Group

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

11. 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 2007.

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

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2007.

13. 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**

14. Performance Review

The Group's revenue of RM2.02 million for the current quarter ended 30 September 2007 was higher by RM547,000 as compared to the corresponding quarter ended 30 September 2006. This was due to higher sales and interest income achieved during the current quarter.

The after-tax profits of RM4.90 million for the current quarter was higher than last year's quarter of RM2.89 million. This was due to unrealised foreign exchange gain of RM725,000 as compared to the corresponding quarter's unrealised foreign exchange loss of RM22,000. Share of associates' profit of RM3.33 million exceeded the corresponding quarter by RM870,000.

15. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group achieved a pre-tax profit of RM5.15 million as compared to the immediate preceding quarter's pre-tax profit of RM6.41 million. The shortfall was due to lower share of associates' profit partially offset by higher sales and unrealised foreign exchange gain.

16. Commentary on Prospects

The prospect of the plantation performance for the rest of the financial year is good in view of the prevailing strong crude palm oil prices which are expected to be maintained. The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations.

17. Profit Forecast or Profit Guarantee

There is no profit forecast and profit guarantee.

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

18. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	<u>252</u>	<u>157</u>	<u>252</u>	<u>157</u>
Total income tax expense	<u>252</u>	<u>157</u>	<u>252</u>	<u>157</u>

The effective tax rate for the current quarter ended 30 September 2007 and prior year's corresponding quarter ended 30 September 2006 were lower than the statutory tax rates principally due to lower tax rate of associates and certain income not taxable for tax purposes.

19. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties.

20. 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 30.09.2007 RM'000
At cost	12,289
At carrying value / market value	<u>26,066</u>

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

21. Corporate Proposals

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

22. Borrowings

There were no borrowings and debt securities as at 30 September 2007.

23. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 20 November 2007.

24. Changes in Material Litigation

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

25. Dividend Payable

A first and final dividend in respect of the financial year ended 30 June 2007, of 1% less 27% taxation on 60,191,550 ordinary shares, amounting to a dividend payable of RM439,398 (0.7 sen net per ordinary share) has been approved by the shareholders at the annual general meeting on 29 October 2007.

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. 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		3 months ended	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
Profit attributable to ordinary equity holders (RM'000)	<u>4,895</u>	<u>2,886</u>	<u>4,895</u>	<u>2,886</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>8.13</u>	<u>4.79</u>	<u>8.13</u>	<u>4.79</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 30 September 2007.

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 20 November 2007.