

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

Condensed Consolidated Income Statement
For the Six-Month Period Ended 31 December 2007
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 6 months ended	
		31.12.2007 RM'000	31.12.2006 RM'000	31.12.2007 RM'000	31.12.2006 RM'000
Revenue	4	3,107	2,309	5,127	3,782
Other Income		1	1	38	1
Changes in Inventories		65	16	151	167
Staff Costs		(164)	(157)	(272)	(304)
Depreciation		(17)	(24)	(32)	(47)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(360)	(301)	(858)	(692)
Foreign Exchange Gain		469	516	1,194	494
Other Expenses		(429)	(309)	(862)	(770)
Profit from Operations	4	2,672	2,051	4,486	2,631
Share of Profit of Associates		2,801	1,909	6,134	4,372
Profit before Taxation		5,473	3,960	10,620	7,003
Income tax expense	18	(311)	(102)	(563)	(259)
Net profit for the period		5,162	3,858	10,057	6,744
Earnings per share attributable to equity holders:					
Basic (Sen)	26(a)	8.58	6.41	16.71	11.20
Diluted (Sen)	26(b)	8.58	6.41	16.71	11.20

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 31 December 2007**

		(Unaudited)	(Audited)
		As at	As at
	Note	31.12.2007	30.6.2007
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		74,170	74,010
Investment in associates		219,052	225,803
Available-for-sale investments	20	25,193	26,783
Deferred tax asset		185	185
		<u>318,600</u>	<u>326,781</u>
Current assets			
Inventories		175	24
Trade and other receivables		755	462
Cash and bank balances		42,478	40,245
		<u>43,408</u>	<u>40,731</u>
TOTAL ASSETS		<u>362,008</u>	<u>367,512</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders to the Company			
Share capital		60,191	60,191
Reserves		299,013	303,970
		<u>359,204</u>	<u>364,161</u>
Non-current liabilities			
Retirement benefit obligations		455	434
Current liabilities			
Trade and other payables		1,901	2,842
Current tax payable		448	75
		<u>2,349</u>	<u>2,917</u>
Total liabilities		<u>2,804</u>	<u>3,351</u>
TOTAL EQUITY AND LIABILITIES		<u>362,008</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 Six-Month Period Ended 31 December 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	-	-	(11,702)	-	-	-	-	-	(11,702)
Foreign currency translation	-	-	-	-	(1,549)	-	-	-	(1,549)
Fair value loss	-	-	-	(1,324)	-	-	-	-	(1,324)
- Available-for-sale investments	-	-	-	(1,324)	-	-	-	-	(1,324)
Net income/(expense) recognised	-	-	(11,702)	(1,324)	(1,549)	-	-	-	(14,575)
directly in equity	-	-	(11,702)	(1,324)	(1,549)	-	-	-	(14,575)
Profit for the period	-	-	-	-	-	-	-	10,057	10,057
Total recognised income and expense for the period	-	-	(11,702)	(1,324)	(1,549)	-	-	10,057	(4,518)
Dividends	-	-	-	-	-	-	-	(439)	(439)
At 31 December 2007	60,191	25,825	187,103	14,021	(1,863)	3,259	10,000	60,668	359,204

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

Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the Six-Month Period Ended 31 December 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	-	-	-	-	-	-	-	7,913	7,913
	<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>35,941</u>	<u>323,886</u>
Share of associated companies' reserves	-	-	8,533	-	-	-	-	-	8,533
Share of associated companies' bonus	-	-	-	-	-	-	-	(117)	(117)
Foreign currency translation	-	-	-	-	(1,323)	-	-	-	(1,323)
Fair value gain									
- Available-for-sale investments	-	-	-	1,016	-	-	-	-	1,016
Net income/(expense) recognised directly in equity	-	-	8,533	1,016	(1,323)	-	-	(117)	8,109
Profit for the period	-	-	-	-	-	-	-	6,744	6,744
Total recognised income and expense for the period	-	-	8,533	1,016	(1,323)	-	-	6,627	14,853
Dividends	-	-	-	-	-	-	-	(433)	(433)
At 31 December 2006	<u>60,191</u>	<u>22,230</u>	<u>187,453</u>	<u>12,317</u>	<u>416</u>	<u>3,564</u>	<u>10,000</u>	<u>42,135</u>	<u>338,306</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 Six-Month Period Ended 31 December 2007**

(The figures have not been audited)

	6 months ended	
	31.12.2007	31.12.2006
	RM'000	RM'000
Net cash generated from operating activities	465	725
Net cash generated from investing activities	1,691	634
Net cash used in financing activities	(439)	(433)
Net increase in cash and cash equivalents	<u>1,717</u>	<u>926</u>
Effects of exchange rate changes	516	(290)
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>42,478</u>	<u>42,424</u>

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

	As at	As at
	31.12.2007	31.12.2006
	RM'000	RM'000
Cash and bank balances	<u>42,478</u>	<u>42,424</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)
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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

	6 months ended	
	31.12.2007	31.12.2006
	RM'000	RM'000
Segment Revenue		
Plantation	3,642	2,277
Investment	1,485	1,505
Total	<u>5,127</u>	<u>3,782</u>
Segment results		
Plantation	2,197	987
Investment	3,856	3,170
	<u>6,053</u>	<u>4,157</u>
Unallocated corporate expenses	<u>(1,567)</u>	<u>(1,526)</u>
Profit from operations	<u>4,486</u>	<u>2,631</u>

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

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 31 December 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

The amount of dividends paid during the financial period ended 31 December 2007 were as follows:

In respect of the financial year ended 30 June 2007, as reported in the directors' report of that year:

	Amount RM'000	Net Dividend per share (Sen)
First and final dividend of 1% less 27% taxation	<u>439</u>	<u>0.7</u>

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.

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

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 31 December 2007.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 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 for the current quarter of RM3.11 million and RM5.13 million for the financial period ended 31 December 2007 were higher as compared to the corresponding quarter and period ended 31 December 2006. This was due to higher sales revenue and dividend income achieved during the current quarter and year-to-date.

The after-tax profits of RM5.16 million and RM10.06 million for the current quarter and financial year-to-date respectively were significantly higher as compared to last year's quarter of RM3.86 million and year-to-date of RM6.74 million. This was due to higher unrealised foreign exchange gain of RM1.19 million recorded for the current financial period as compared to last year's RM494,000. Share of associates' profit of RM2.8 million for the current quarter and RM6.13 million for the financial period ended 31 December 2007 were higher than the corresponding quarter of RM1.91 million and RM4.37 million for the financial period ended 31 December 2006.

15. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group achieved a pre-tax profit of RM5.47 million as compared to the immediate preceding quarter's pre-tax profit of RM5.15 million. The slightly better performance was due to higher sales revenue and dividend income partially offset by lower unrealised foreign exchange gain and share of profit of associates.

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 due to the recent jittery capital markets and fears of a global economic slowdown.

17. Profit Forecast or Profit Guarantee

There is no profit forecast and profit guarantee.

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**

18. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		6 months ended	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	<u>311</u>	<u>102</u>	<u>563</u>	<u>259</u>
Total income tax expense	<u>311</u>	<u>102</u>	<u>563</u>	<u>259</u>

The effective tax rate for the current quarter and financial period ended 31 December 2007 and prior year's corresponding quarter and financial period ended 31 December 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 31.12.2007 RM'000
At cost	12,874
At carrying value / market value	<u>25,193</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 31 December 2007.

23. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 21 February 2008.

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

No interim dividend has been declared for the financial period ended 31 December 2007.

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

**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	6 months ended	6 months ended
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Profit attributable to ordinary equity holders (RM'000)	<u>5,162</u>	<u>3,858</u>	<u>10,057</u>	<u>6,744</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>8.58</u>	<u>6.41</u>	<u>16.71</u>	<u>11.20</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 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 21 February 2008.