

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

Condensed Consolidated Income Statement

For the Year Ended 30 June 2008

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 12 months ended	
		30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
Revenue	4	2,512	1,496	10,349	6,742
Other Income		-	1	39	8
Changes in Inventories		(84)	(47)	4	11
Staff Costs		(192)	(113)	(629)	(578)
Depreciation		(22)	(24)	(70)	(94)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(367)	(314)	(1,836)	(1,497)
Foreign Exchange Gain		367	17	2,325	576
Other Expenses		(260)	(300)	(1,386)	(1,260)
Profit from Operations	4	1,954	716	8,796	3,908
Share of Profit of Associates		5,553	5,690	15,723	11,221
Profit before Taxation		7,507	6,406	24,519	15,129
Income tax expense	18	(376)	(135)	(1,338)	(465)
Profit for the period		7,131	6,271	23,181	14,664
Earnings per share attributable to equity holders:					
Basic (Sen)	26(a)	11.85	10.42	38.51	24.36
Diluted (Sen)	26(b)	11.85	10.42	38.51	24.36

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 March 2008**

		(Unaudited)	(Audited)
		As at	As at
	Note	30.06.2008	30.6.2007
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		74,193	74,010
Investment in associates		237,057	225,803
Available-for-sale investments	20	23,240	26,783
Deferred tax asset		185	185
		<u>334,675</u>	<u>326,781</u>
Current assets			
Inventories		27	24
Trade and other receivables		501	462
Cash and bank balances		46,172	40,245
		<u>46,700</u>	<u>40,731</u>
TOTAL ASSETS		<u>381,375</u>	<u>367,512</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders to the Company			
Share capital		60,191	60,191
Reserves		318,377	303,970
		<u>378,568</u>	<u>364,161</u>
Non-current liabilities			
Provision for retirement benefit		494	434
Current liabilities			
Trade and other payables		1,991	2,842
Current tax payable		322	75
		<u>2,313</u>	<u>2,917</u>
Total liabilities		<u>2,807</u>	<u>3,351</u>
TOTAL EQUITY AND LIABILITIES		<u>381,375</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 Year Ended 30 June 2008

(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	
At 1 July 2007	60,191	25,825	198,805	15,345	(314)	3,259	10,000	51,050	364,161
Transfer (from) / to reserve									
- Replanting expenses	-	-	-	-	-	(149)	-	149	-
Share of associated companies' reserves	-	-	(3,286)	-	-	-	-	-	(3,286)
Foreign currency translation	-	-	-	-	(2,069)	-	-	-	(2,069)
Fair value loss:									
- Available-for-sale investments	-	-	-	(2,980)	-	-	-	-	(2,980)
Net income/(expense) recognised directly in equity	-	-	(3,286)	(2,980)	(2,069)	(149)	-	149	(8,335)
Profit for the year, representing total recognised income and expense for the year	-	-	-	-	-	-	-	23,181	23,181
Dividend	-	-	-	-	-	-	-	(439)	(439)
At 30 June 2008	60,191	25,825	195,519	12,365	(2,383)	3,110	10,000	73,941	378,568

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

(Incorporated in Malaysia)

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

For the Year Ended 30 June 2008

(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	-	1,740	3,564	10,000	28,027	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>1,740</u>	<u>3,564</u>	<u>10,000</u>	<u>36,631</u>	<u>324,577</u>
Transfer (from) / to reserve									
- Replanting expenses	-	-	-	-	-	(305)	-	305	-
Reversal of deferred tax on revaluation surplus	-	3,595	-	-	-	-	-	-	3,595
Share of associated companies' reserves	-	-	19,885	-	-	-	-	-	19,885
Share of associated companies' bonus	-	-	-	-	-	-	-	(117)	(117)
Foreign currency translation	-	-	-	-	(2,054)	-	-	-	(2,054)
Fair value gain:									
- Available-for-sale investments	-	-	-	4,044	-	-	-	-	4,044
Net income/(expense) recognised directly in equity	-	3,595	19,885	4,044	(2,054)	(305)	-	188	25,353
Profit for the year, representing total recognised income and expense for the year	-	-	-	-	-	-	-	14,664	14,664
Dividend	-	-	-	-	-	-	-	(433)	(433)
At 30 June 2007	<u>60,191</u>	<u>25,825</u>	<u>198,805</u>	<u>15,345</u>	<u>(314)</u>	<u>3,259</u>	<u>10,000</u>	<u>51,050</u>	<u>364,161</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 Year Ended 30 June 2008**

(The figures have not been audited)

	12 months ended	
	30.06.2008	30.06.2007
	RM'000	RM'000
Net cash generated from operating activities	2,393	1,107
Net cash generated from /(used in) investing activities	2,464	(1,568)
Net cash used in financing activities	(439)	(433)
Net increase/(decrease) in cash and cash equivalents	<u>4,418</u>	<u>(894)</u>
Effects of exchange rate changes	1,509	(649)
Cash and cash equivalents at beginning of financial year	<u>40,245</u>	<u>41,788</u>
Cash and cash equivalents at end of financial year	<u><u>46,172</u></u>	<u><u>40,245</u></u>

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

	As at	As at
	30.06.2008	30.06.2007
	RM'000	RM'000
Cash and bank balances	<u>46,172</u>	<u>40,245</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

	12 months ended	
	30.06.2008	30.06.2007
	RM'000	RM'000
Segment Revenue		
Plantation	8,259	4,502
Investment	2,090	2,240
Total	<u>10,349</u>	<u>6,742</u>
Segment results		
Plantation	5,816	2,459
Investment	4,427	3,751
	<u>10,243</u>	<u>6,210</u>
At carrying value		23,240
At market value	<u>(1,447)</u>	<u>(2,302)</u>
Profit from operations	<u>8,796</u>	<u>27,148</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 year ended 30 June 2008.

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 year ended 30 June 2008 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 30 June 2008.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2008.

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 RM2.51 million and RM10.35 million for the financial year ended 30 June 2008 were higher as compared to the corresponding quarter and financial year ended 30 June 2007. This was due to higher crop sales and dividend income for the current quarter while the year-to-date's better performance was mainly due to higher crop sales.

The after-tax profit of RM7.13 million for the current quarter was higher than last year's quarter of RM6.27 million. This was due to higher revenue and unrealised foreign exchange gain.

As for the current financial year, the after-tax profit of RM23.18 million was significantly higher than the RM14.66 million achieved during the corresponding year ended 30 June 2007. This was due to higher revenue, unrealised foreign exchange gain and share of associates' profit.

15. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group achieved a pre-tax profit of RM7.51 million as compared to the immediate preceding quarter's pre-tax profit of RM6.39 million. This was due to higher share of associates' profit of RM5.55 million as compared to the immediate preceding quarter's share of RM4.04 million.

16. Commentary on Prospects

The prospect of the plantation performance for the next financial year ending 30 June 2009 is not expected to be good for the following reasons which will erode the profitability:-

- 1) Prices of Crude palm oil ("CPO") have recently dropped about 25% from the high in 2008
- 2) The windfall profit levy on CPO threshold at RM2,000 per ton to be imposed on the Estate and
- 3) Higher fuel, fertiliser, labour and recruitment costs

The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations due to the jittery capital markets and global economic slowdown.

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

17. Profit Forecast or Profit Guarantee

There is no profit forecast and profit guarantee.

18. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	376	135	1,338	465
Total income tax expense	<u>376</u>	<u>135</u>	<u>1,338</u>	<u>465</u>

The effective tax rate for the current quarter and financial year ended 30 June 2008 and prior year's corresponding quarter and financial year ended 30 June 2007 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 30.06.2008 RM'000
At cost	12,874
At carrying value	23,240
At market value	<u>23,240</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 June 2008.

23. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 28 August 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 year ended 30 June 2008.

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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		12 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
Profit attributable to ordinary equity holders (RM'000)	<u>7,131</u>	<u>6,271</u>	<u>23,181</u>	<u>14,664</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>11.85</u>	<u>10.42</u>	<u>38.51</u>	<u>24.36</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 June 2008.

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 August 2008.