

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

**Condensed Consolidated Income Statement**

**For the Three-Month Period Ended 30 September 2008**

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 3 months ended	
		30.09.2008 RM'000	30.09.2007 RM'000	30.09.2008 RM'000	30.09.2007 RM'000
<b>Revenue</b>	3	1,947	2,020	1,947	2,020
Other Income		-	37	-	37
Changes in Inventories		105	86	105	86
Staff Costs		(163)	(108)	(163)	(108)
Depreciation		(17)	(15)	(17)	(15)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(739)	(498)	(739)	(498)
Foreign Exchange (Loss) / Gain		(1,032)	725	(1,032)	725
Other Expenses		(439)	(433)	(439)	(433)
<b>(Loss) / Profit from Operations</b>	3	(338)	1,814	(338)	1,814
Share of (Loss) / Profit of Associates		(83)	3,333	(83)	3,333
<b>(Loss) / Profit before Taxation</b>		(421)	5,147	(421)	5,147
Income tax expense	17	(156)	(252)	(156)	(252)
<b>(Loss) / Profit for the period</b>		(577)	4,895	(577)	4,895
<b>(Loss)/Earnings per share attributable to equity holders:</b>					
Basic (Sen)	25(a)	(0.96)	8.13	(0.96)	8.13
Diluted (Sen)	25(b)	(0.96)	8.13	(0.96)	8.13

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 2008**

		(Unaudited)	(Audited)
	Note	As at 30.09.2008 RM'000	As at 30.6.2008 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		74,180	74,193
Investment in associates		210,562	237,059
Available-for-sale investments	19	20,805	23,240
Deferred tax asset		185	185
		<u>305,732</u>	<u>334,677</u>
<b>Current assets</b>			
Inventories		133	27
Trade and other receivables		541	501
Cash and bank balances		46,752	46,172
		<u>47,426</u>	<u>46,700</u>
<b>TOTAL ASSETS</b>		<u>353,158</u>	<u>381,377</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders to the Company</b>			
Share capital		60,191	60,191
Reserves		290,063	318,379
		<u>350,254</u>	<u>378,570</u>
<b>Non-current liabilities</b>			
Provision for retirement benefit		508	494
<b>Current liabilities</b>			
Trade and other payables		2,363	1,991
Current tax payable		33	322
		<u>2,396</u>	<u>2,313</u>
<b>Total liabilities</b>		<u>2,904</u>	<u>2,807</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>353,158</u>	<u>381,377</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 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	
<b>At 1 July 2008</b>	60,191	25,825	196,269	12,364	(2,383)	3,110	10,000	73,194	378,570
Share of associated companies' reserves	-	-	(26,414)	-	-	-	-	-	(26,414)
Foreign currency translation	-	-	-	-	2,128	-	-	-	2,128
Fair value loss:									
- Available-for-sale investments	-	-	-	(3,453)	-	-	-	-	(3,453)
Net income/(expense) recognised directly in equity	-	-	(26,414)	(3,453)	2,128	-	-	-	(27,739)
Loss for the period, representing total recognised income and expense for the period	-	-	-	-	-	-	-	(577)	(577)
<b>At 30 September 2008</b>	60,191	25,825	169,855	8,911	(255)	3,110	10,000	72,617	350,254

**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 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
<b>At 1 July 2007</b>	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 loss:									
- Available-for-sale investments	-	-	-	(471)	-	-	-	-	(471)
Net expense recognised directly in equity	-	-	(2,376)	(471)	(432)	-	-	-	(3,279)
Profit for the period, representing total recognised income and expense for the period	-	-	-	-	-	-	-	4,895	4,895
<b>At 30 September 2007</b>	60,191	25,825	196,429	14,874	(746)	3,259	10,000	55,945	365,777

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 2008**

(The figures have not been audited)

	<b>3 months ended</b>	
	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from / (used in) operating activities	334	(366)
Net cash generated from investing activities	166	141
Net increase/(decrease) in cash and cash equivalents	<u>500</u>	<u>(225)</u>
Effects of exchange rate changes	80	558
Cash and cash equivalents at beginning of financial year	<u>46,172</u>	<u>40,245</u>
Cash and cash equivalents at end of financial year	<u>46,752</u>	<u>40,578</u>

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

	<b>As at</b>	<b>As at</b>
	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>46,752</u>	<u>40,578</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 2008.

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 30 June 2008 was not qualified.

**3. Segmental Information**

	<b>3 months ended</b>	
	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	1,696	1,693
Investment	251	327
Total	<u>1,947</u>	<u>2,020</u>
<b>Segment results</b>		
Plantation	785	963
Investment	(784)	1,163
	1	2,126
Unallocated corporate expenses	(339)	(312)
(Loss) / Profit from operations	<u>(338)</u>	<u>1,814</u>

**4. 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 2008.

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

**Part A - Explanatory Notes Pursuant to FRS 134**

**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. Dividends 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 2008.

**11. Changes in Contingent Liabilities and Contingent Assets**

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

**12. Subsequent Events**

There were no material events subsequent to the end of the current quarter.

**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**

**13. Performance Review**

The Group's revenue of RM1.95 million for the current quarter ended 30 September 2008 was lower by RM73,000 as compared to the corresponding quarter 30 September 2007. This was due to lower interest income.

For the current quarter, the Group suffered an after-tax loss of RM577,000 as compared to the after-tax profit of RM4.90 million achieved for last year's corresponding quarter. This was due to the unrealised foreign exchange loss of RM1.0 million as compared to the corresponding quarter's unrealised exchange gain of RM725,000. Share of associates' results for the current quarter was a loss of RM83,000 as compared to the profit of RM3.33 million for the corresponding quarter.

**14. Comment on Material Change in Profit Before Taxation**

For the quarter under review, the Group suffered a pre-tax loss of RM421,000 as compared to the immediate preceding quarter's pre-tax profit of RM6.76 million. This was due to lower revenue and unrealised exchange loss of RM1.0 million as compared to the immediate preceding quarter's unrealised exchange gain of RM367,000. This shortfall was worsened by the share of associates' loss of RM83,000 for the current quarter as compared to the share of associates' profit of RM4.81 million for the immediate preceding quarter.

**15. Commentary on Prospects**

The prospect of the plantation performance for the rest of the financial year ending 30 June 2009 is expected to be challenging for the following reasons:-

- 1) Prices of Crude palm oil ("CPO") have recently dropped by about 52% from March 2008 to October 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.



**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**

**16. Profit Forecast or Profit Guarantee**

There is no profit forecast and profit guarantee.

**17. Income Tax Expense**

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>30.09.2008</b>	<b>30.09.2007</b>	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	156	252	156	252
Total income tax expense	<u>156</u>	<u>252</u>	<u>156</u>	<u>252</u>

The effective tax rate for the current quarter ended 30 September 2008 was higher than the statutory tax rate as certain expenses were not deductible for tax purposes while the effective tax rate for the prior year's corresponding quarter ended 30 September 2007 were lower principally due to lower tax rate of associates and certain income not taxable for tax purposes.

**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:

	<b>As at</b>
	<b>30.09.2008</b>
	<b>RM'000</b>
At cost	12,874
At carrying value	20,805
At market value	<u>20,805</u>

**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**

**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 2008.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 27 November 2008.

**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 2008 on 60,191,550 ordinary shares have been approved by the shareholders at the Annual General Meeting on 27 November 2008:

	<b>Amount</b>	<b>Net dividend</b>
	<b>RM</b>	<b>per share</b>
		<b>Sen</b>
First and final dividend of 1% less 25% taxation	451,437	0.8
Bonus dividend of 1.5% less 25% taxation	677,155	1.1
	<u>1,128,592</u>	<u>1.9</u>

**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**

**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.

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>30.09.2008</b>	<b>30.09.2007</b>	<b>30.09.2008</b>	<b>30.09.2007</b>
(Loss)/Profit attributable to ordinary equity holders (RM'000)	<u>(577)</u>	<u>4,895</u>	<u>(577)</u>	<u>4,895</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>(0.96)</u>	<u>8.13</u>	<u>(0.96)</u>	<u>8.13</u>

**(b) Diluted**

Diluted (loss)/earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 30 September 2008.

**26. 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 27 November 2008.