

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

**Condensed Consolidated Income Statement**  
**For the Six-Month Period Ended 31 December 2008**  
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 6 months ended	
		31.12.2008 RM'000	31.12.2007 RM'000	31.12.2008 RM'000	31.12.2007 RM'000
<b>Revenue</b>	3	1,961	3,107	3,908	5,127
Other Income		1	1	1	38
Changes in Inventories		(112)	65	(7)	151
Staff Costs		(186)	(164)	(349)	(272)
Depreciation		(18)	(17)	(35)	(32)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(644)	(360)	(1,383)	(858)
Foreign Exchange (Loss) / Gain		(238)	469	(1,270)	1,194
Other Expenses		(268)	(429)	(707)	(862)
<b>Profit from Operations</b>	3	496	2,672	158	4,486
Share of (Loss) / Profit of Associates		(664)	2,801	(747)	6,134
<b>(Loss) / Profit before Taxation</b>		(168)	5,473	(589)	10,620
Income tax expense	17	29	(311)	(127)	(563)
<b>(Loss) / Profit for the period</b>		(139)	5,162	(716)	10,057
<b>(Loss)/Earnings per share attributable to equity holders:</b>					
Basic (Sen)	25(a)	(0.23)	8.58	(1.19)	16.71
Diluted (Sen)	25(b)	(0.23)	8.58	(1.19)	16.71

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 2008**

		(Unaudited)	(Audited)
	Note	As at 31.12.2008 RM'000	As at 30.6.2008 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		74,163	74,193
Investment in associates		180,071	237,059
Available-for-sale investments	19	16,800	23,240
Deferred tax asset		185	185
		<u>271,219</u>	<u>334,677</u>
<b>Current assets</b>			
Inventories		20	27
Trade and other receivables		1,720	501
Cash and bank balances		45,065	46,172
Tax recoverable		282	-
		<u>47,087</u>	<u>46,700</u>
<b>TOTAL ASSETS</b>		<u>318,306</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		255,588	318,379
		<u>315,779</u>	<u>378,570</u>
<b>Non-current liabilities</b>			
Provision for retirement benefit		521	494
<b>Current liabilities</b>			
Trade and other payables		2,006	1,991
Tax payable		-	322
		<u>2,006</u>	<u>2,313</u>
<b>Total liabilities</b>		<u>2,527</u>	<u>2,807</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>318,306</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 Six-Month Period Ended 31 December 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	-	-	(55,173)	-	-	-	-	-	(55,173)
Foreign currency translation	-	-	-	-	2,351	-	-	-	2,351
Fair value loss:									
- Available-for-sale investments	-	-	-	(8,124)	-	-	-	-	(8,124)
Net income/(expense) recognised directly in equity	-	-	(55,173)	(8,124)	2,351	-	-	-	(60,946)
Loss for the period	-	-	-	-	-	-	-	(716)	(716)
Total recognised income and expense for the period	-	-	(55,173)	(8,124)	2,351	-	-	(716)	(61,662)
Dividends paid	-	-	-	-	-	-	-	(1,129)	(1,129)
<b>At 31 December 2008</b>	60,191	25,825	141,096	4,240	(32)	3,110	10,000	71,349	315,779

**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 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 2007</b>	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:									
- Available-for-sale investments	-	-	-	(1,324)	-	-	-	-	(1,324)
Net expense recognised 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 paid	-	-	-	-	-	-	-	(439)	(439)
<b>At 31 December 2007</b>	60,191	25,825	187,103	14,021	(1,863)	3,259	10,000	60,668	359,204

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 2008**

(The figures have not been audited)

	<b>6 months ended</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash (used in) / generated from operating activities	(387)	465
Net cash generated from investing activities	445	1,691
Net cash used in financing activities	(1,129)	(439)
Net (decrease) / increase in cash and cash equivalents	<u>(1,071)</u>	<u>1,717</u>
Effects of exchange rate changes	(36)	516
Cash and cash equivalents at beginning of financial period	<u>46,172</u>	<u>40,245</u>
Cash and cash equivalents at end of financial period	<u>45,065</u>	<u>42,478</u>

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

	<b>As at</b>	<b>As at</b>
	<b>31.12.2008</b>	<b>31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>45,065</u>	<u>42,478</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)**  
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**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>6 months ended</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	2,571	3,642
Investment	1,337	1,485
Total	<u>3,908</u>	<u>5,127</u>
<b>Segment results</b>		
Plantation	870	2,197
Investment	61	3,856
	<u>931</u>	<u>6,053</u>
Unallocated corporate expenses	<u>(773)</u>	<u>(1,567)</u>
Profit from operations	<u>158</u>	<u>4,486</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 unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2008.

**5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter and year-to-date 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**

The amount of dividends paid during the financial period ended 31 December 2008 were as follows:

In respect of the financial year ended 30 June 2008, as reported in the directors' report of that year:

	Amount RM'000	Net dividend per share Sen
First and final dividend of 1% less 25% taxation	452	0.8
Bonus dividend of 1.5% less 25% taxation	677	1.1
	<u>1,129</u>	<u>1.9</u>

**8. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and 6 months to-date.

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

**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 31 December 2008.

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

There were no contingent liabilities or contingent assets as at 31 December 2008.

**12. Subsequent Events**

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



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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 for the current quarter of RM1.96 million and RM3.91 million for the period ended 31 December 2008 were lower as compared to the corresponding quarter and period ended 31 December 2007. Crop sales were lower due to lower tonnage harvested and lower CPO prices. Dividend and interest income were also lower.

The Group suffered after-tax losses of RM139,000 and RM716,000 for the current quarter and period-to-date respectively as compared to the after-tax profits of RM5.16 million and RM10.06 million achieved during the corresponding quarter and period ended 31 December 2007 respectively. This was due to unrealised foreign exchange losses of RM238,000 and RM1.27 million suffered during the current quarter and period-to-date respectively. Unrealised exchange gain of RM469,000 and RM1.19 million were recorded for last year's corresponding quarter and period-to-date respectively.

The associates suffered losses this current quarter and the Group's share of their losses was RM664,000 for the current quarter and RM747,000 for period-to-date as compared to the share of their profit of RM2.8 million and RM6.13 million for last year's corresponding quarter and period-to-date respectively.

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

For the quarter under review, the pre-tax loss of RM168,000 was lower than the immediate preceding quarter's RM421,000. This was due to unrealised foreign exchange loss which was lower by RM794,000 partially offset by higher share of associates' loss.

**15. Commentary on Prospects**

The prospect of the plantation performance for the rest of the financial year ending 30 June 2009 is not expected to improve although the CPO prices have moved up slightly. Reasons being that the production will be lower due to the low cropping season and difficulty in recruiting foreign workers. However, this will be partially compensated by lower cost of production as prices of fertilisers and chemicals have eased slightly.

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  
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**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>6 months ended</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	<u>(29)</u>	<u>311</u>	<u>127</u>	<u>563</u>
Total income tax expense	<u>(29)</u>	<u>311</u>	<u>127</u>	<u>563</u>

The effective tax rates for the current quarter and financial period ended 31 December 2008 were higher than the statutory tax rate as certain expenses were not deductible for tax purposes while the effective tax rates for the prior year's corresponding quarter and year-to-date ended 31 December 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 and year-to-date.

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

	<b>As at</b>
	<b>31.12.2008</b>
	<b>RM'000</b>
At cost	12,874
At carrying value	16,800
At market value	<u>16,800</u>

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**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 31 December 2008.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 24 February 2009.

**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**

No interim dividend has been declared for the financial period ended 31 December 2008.

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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.

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>
(Loss)/Profit attributable to ordinary equity holders (RM'000)	<u>(139)</u>	<u>5,162</u>	<u>(716)</u>	<u>10,057</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>(0.23)</u>	<u>8.58</u>	<u>(1.19)</u>	<u>16.71</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 31 December 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 24 February 2009.