

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

**Condensed Consolidated Income Statement**

**For the Period Ended 31 December 2009**

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 6 months ended	
		31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
<b>Revenue</b>	3	2,139	1,961	3,519	3,908
Other Income		-	1	56	1
Changes in Inventories		(153)	(112)	(6)	(7)
Staff Costs		(131)	(186)	(309)	(349)
Depreciation		(18)	(18)	(35)	(35)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(478)	(644)	(1,081)	(1,383)
Foreign Exchange Gain / (Loss)		(192)	(238)	315	(1,270)
Other Expenses		(189)	(268)	(679)	(707)
<b>Profit from Operations</b>	3	978	496	1,780	158
Share of Profit / (Loss) of Associates		765	(664)	2,504	(747)
<b>Profit / (Loss) before Taxation</b>		1,743	(168)	4,284	(589)
Income tax (expense) / credit	17	(133)	29	(218)	(127)
<b>Profit / (Loss) for the period</b>		1,610	(139)	4,066	(716)
<b>Earnings / (Loss) per share attributable to equity holders:</b>					
Basic (Sen)	25(a)	2.67	(0.23)	6.76	(1.19)
Diluted (Sen)	25(b)	2.67	(0.23)	6.76	(1.19)

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 2009**

		(Unaudited)	(Audited)
	Note	As at 31.12.2009 RM'000	As at 30.6.2009 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		79,110	74,143
Investment in associates		215,582	190,625
Available-for-sale investments	19	25,303	20,377
Deferred tax asset		144	144
		<u>320,139</u>	<u>285,289</u>
<b>Current assets</b>			
Inventories		30	36
Trade and other receivables		1,273	516
Tax recoverable		387	369
Cash and bank balances		47,096	47,012
		<u>48,786</u>	<u>47,933</u>
<b>TOTAL ASSETS</b>		<u>368,925</u>	<u>333,222</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders to the Company</b>			
Share capital		60,191	60,191
Reserves		306,187	270,731
		<u>366,378</u>	<u>330,922</u>
<b>Non-current liabilities</b>			
Provision for retirement benefits		564	550
<b>Current liabilities</b>			
Trade and other payables		1,983	1,750
Tax payable		-	-
		<u>1,983</u>	<u>1,750</u>
<b>Total liabilities</b>		<u>2,547</u>	<u>2,300</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>368,925</u>	<u>333,222</u>

The condensed consolidated balance sheet should be read in conjunction with the 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 Period Ended 31 December 2009**

(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 2009</b>	60,191	25,825	156,629	7,511	631	2,707	10,000	67,428	330,922
Share of associated companies' reserves	-	-	22,969	-	-	-	-	-	22,969
Revaluation surplus on plantation land	-	5,000	-	-	-	-	-	-	5,000
Foreign currency translation	-	-	-	-	(1,030)	-	-	-	(1,030)
Fair value gain:									
- Available-for-sale investments	-	-	-	4,902	-	-	-	-	4,902
Net income/(expense) recognised directly in equity	-	5,000	22,969	4,902	(1,030)	-	-	-	31,841
Profit for the period	-	-	-	-	-	-	-	4,066	4,066
Total recognised income and expense for the period	-	5,000	22,969	4,902	(1,030)	-	-	4,066	35,907
Dividend paid	-	-	-	-	-	-	-	(451)	(451)
<b>At 31 December 2009</b>	60,191	30,825	179,598	12,413	(399)	2,707	10,000	71,043	366,378

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity (Cont'd)****For the Period Ended 31 December 2009**

(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	
<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 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

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 Period Ended 31 December 2009**

(The figures have not been audited)

	<b>6 months ended</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from / (used in) operating activities	539	(387)
Net cash generated from investing activities	254	445
Net cash used in financing activities	(451)	(1,129)
Net increase / (decrease) in cash and cash equivalents	<u>342</u>	<u>(1,071)</u>
Effects of exchange rate changes	(258)	(36)
Cash and cash equivalents at beginning of financial period	<u>47,012</u>	<u>46,172</u>
Cash and cash equivalents at end of financial period	<u>47,096</u>	<u>45,065</u>

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

	<b>As at</b>	<b>As at</b>
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>47,096</u>	<u>45,065</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 on a historical cost basis, except for freehold land included within property, plant and equipment, investment properties and available-for-sale investments that have been measured at their fair values.

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.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2009. 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 2009.

Except as described below, the significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2009.

Change in accounting policy - FRS 8: Operating Segments

FRS 8 sets out the requirements for disclosure of information on an entity's operating segment, products and services, the geographical areas in which it operates and its customers. The adoption of this Standard does not result in significant change in the Group's accounting policies and only impact the form and content of disclosures presented in the financial statements.

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

The auditors' report on the financial statements for the year ended 30 June 2009 was not qualified.

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

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

**3. Segmental Information**

	<b>6 months ended</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	2,565	2,571
Investment	954	1,337
Total	<u>3,519</u>	<u>3,908</u>
<b>Segment results</b>		
Plantation	1,843	870
Investment	1,258	61
	<u>3,101</u>	<u>931</u>
Unallocated corporate expenses	(1,321)	(773)
Profit / (Loss) from operations	<u>1,780</u>	<u>158</u>
<b>Segment assets</b>		
Plantation	81,974	75,548
Investment	286,420	242,292
	<u>368,394</u>	<u>317,840</u>
Unallocated corporate expenses	531	466
Total assets	<u>368,925</u>	<u>318,306</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 31 December 2009.

**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.

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

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

**7. Dividend Paid**

The amount of dividend paid during the financial period ended 31 December 2009 was as follows:-

In respect of the financial year ended 30 June 2009, as reported in the directors' report of that year:

	<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
	<u>451,437</u>	<u>0.8</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.

**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 2009.

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

There were no contingent liabilities or contingent assets as at 31 December 2009.

**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 RM2.14 million for the current quarter ended 31 December 2009 was higher by RM178,000 as compared to the corresponding quarter ended 31 December 2008. This was due to higher crop sales on account of higher tonnage harvested and higher CPO prices partially offset by lower dividend and interest income. The current period-to-date's revenue of RM3.52 million was lower than the corresponding period ended 31 December 2008 mainly due to lower dividend and interest income.

The Group achieved after-tax profit of RM1.61 million and RM4.07 million for the current quarter and period-to-date respectively as compared to the after-tax losses of RM139,000 and RM716,000 suffered during the corresponding quarter and period ended 31 December 2008 respectively. For the current quarter, the unrealised exchange loss of RM192,000 was lower as compared to the corresponding quarter ended 31 December 2008. For the current period-to-date, the unrealised exchange difference was a gain of RM315,000 as compared to the unrealised exchange loss of RM1.27 million suffered for the period ended 31 December 2008.

Share of associates' financial results was a profit RM765,000 for the current quarter and RM2.50 million for the period-to-date ended 31 December 2009 as compared to the share of their losses of RM664,000 and RM747,000 for the corresponding quarter and period ended 31 December 2008 respectively.

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

For the quarter under review, the Group's revenue of RM2.14 million was higher than the immediate preceding quarter's RM1.38 million. This was due to higher dividend and interest income.

However, the pre-tax profit of RM1.74 million achieved for the current quarter was lower than the immediate preceding quarter's pre-tax profit of RM2.54 million. This was due to the unrealised exchange loss of RM192,000 suffered for the current quarter as compared to the immediate preceding quarter's unrealised exchange gain of RM507,000. Share of associates' profit was also lower in the current quarter as compared to immediate preceding 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**

**15. Commentary on Prospects**

The prospect of the plantation performance for the rest of the financial year ending 30 June 2010 is not expected to improve significantly. Production is expected to increase while the CPO prices may remain stable.

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.

**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>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	<u>133</u>	<u>(29)</u>	<u>218</u>	<u>127</u>
Total income tax expense	<u>133</u>	<u>(29)</u>	<u>218</u>	<u>127</u>

The effective tax rate for the current quarter and period to-date were lower than the statutory tax rates due to certain income not subject to tax while the effective tax rate for prior year's corresponding quarter and period to-date were higher as certain expenses were not deductible for tax purposes.

**18. Sale of Unquoted Investments and Properties**

There were no sales of unquoted investments and properties.

**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**

**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 31.12.2009 RM'000</b>
At cost	12,874
At carrying value	25,303
At market value	<u>25,303</u>

**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 2009.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 19 February 2010.

**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 2009.

**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 earnings/(loss) per share amounts are calculated by dividing profit/(loss) 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>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
Profit/(Loss) attributable to ordinary equity holders (RM'000)	<u>1,610</u>	<u>(139)</u>	<u>4,066</u>	<u>(716)</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/(loss) per share (Sen)	<u>2.67</u>	<u>(0.23)</u>	<u>6.76</u>	<u>(1.19)</u>

**(b) Diluted**

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there is no dilutive potential ordinary shares outstanding as at 31 December 2009.

**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 19 February 2010.