

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

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 June 2005 (Unaudited) RM'000	As at 30 June 2004 (Audited) RM'000
NON- CURRENT ASSETS		
Property, plant and equipment	73,909	2,113
Associated companies	75,527	74,203
Other Investments	7,894	7,291
Deferred tax assets	103	103
	<u>157,433</u>	<u>83,710</u>
CURRENT ASSETS		
Inventories	10	19
Tax recoverable	309	315
Trade and other receivables	933	1,284
Cash and short term deposits	40,093	38,948
	<u>41,345</u>	<u>40,566</u>
CURRENT LIABILITIES		
Trade and other payables	2,804	4,083
Tax payable	-	-
	<u>2,804</u>	<u>4,083</u>
NET CURRENT ASSETS	<u>38,541</u>	<u>36,483</u>
	<u>195,974</u>	<u>120,193</u>
FINANCED BY:		
Share Capital	60,191	2,006
Reserves	131,838	117,844
Shareholders' equity	<u>192,029</u>	<u>119,850</u>
Provision for retirement benefits	364	343
Deferred tax liability	3,581	-
	<u>195,974</u>	<u>120,193</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2004)

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

Condensed Consolidated Income Statement
for the year ended 30 Jun 2005
(The figures have not been audited)

	Individual Quarter		Year to Date	
	Current quarter ended 30 Jun 2005 RM'000	Comparative quarter ended 30 Jun 2004 RM'000	Current period ended 30 Jun 2005 RM'000	Comparative period ended 30 Jun 2004 RM'000
Revenue	1,181	2,669	6,162	7,541
Other Operating Income	-	113	22	116
Changes in Inventories	(116)	(71)	(10)	(11)
Staff Costs	(129)	23	(512)	(326)
Depreciation	(24)	(13)	(95)	(50)
Subcontractor Labour Fertilizer and Chemical Costs	(158)	(191)	(1,348)	(1,237)
Replanting cost	(164)	(77)	(164)	(77)
Foreign Exchange (Loss) / Gain	(1,079)	(287)	6	748
Other Operating Expenses	(253)	(302)	(1,421)	(1,465)
(Loss) / Profit from Operations	(742)	1,864	2,640	5,239
Share of Results of Associates	(536)	2,455	2,901	10,271
(Loss) / Profit before Taxation	(1,278)	4,319	5,541	15,510
Taxation:				
Company	(179)	(936)	(825)	(1,617)
Associates	(201)	(1,199)	(527)	(1,322)
	(380)	(2,135)	(1,352)	(2,939)
(Loss) / Profit before extraordinary item	(1,658)	2,184	4,189	12,571
Extraordinary items	350	(85)	350	585
Net (loss) / profit for the year	(1,308)	2,099	4,539	13,156
(Loss) / Earnings per share (sen)				
Basic	(2.17)	3.49	7.54	21.86

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2004)

KLUANG RUBER COMPANY (MALAYA) BERHAD (3441 K)
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Condensed Consolidated Statement of Changes in Equity
for the year ended 30 June 2005

(The figures have not been audited)

	← Non-distributable			← Distributable			Total RM '000
	Share capital RM '000	Capital reserves RM '000	Share of associated companies reserves RM '000	Exchange fluctuation reserve RM '000	Cultivation and replacement reserves RM '000	General reserve RM '000	
12 months ended							
30 June 2005							
At 1 July 2004	2,006	12,110	55,336	2,672	3,923	10,000	119,850
Revaluation surplus	-	71,900	-	-	-	-	71,900
Deferred tax on revaluation surplus	-	(3,581)	-	-	-	-	(3,581)
Bonus issue	58,185	(58,185)	-	-	-	-	-
Transfer to/(from) reserves:							
- Share of associated companies other reserves	-	-	30,205	-	-	-	(30,205)
- Replanting expenses	-	-	-	-	(163)	-	163
- Gain on compulsory acquisition of land	-	350	-	-	-	-	(350)
Net profit for the year	-	-	-	-	-	-	4,539
Dividends	-	-	-	-	-	-	(679)
At 30 June 2005	60,191	22,594	85,541	2,672	3,760	10,000	192,029
12 months ended							
30 June 2004							
At 1 July 2003	2,006	11,553	52,299	2,672	4,000	10,000	107,091
Net profit for the year	-	-	-	-	-	-	13,156
Transfer (to)/ from reserves	-	557	3,037	-	-	-	(3,594)
Dividends	-	-	-	-	-	-	(397)
At 30 June 2004	2,006	12,110	55,336	2,672	4,000	10,000	119,850

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 30 June 2004)

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441 K)
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Condensed Consolidated Cash Flow Statement
for the year ended 30 June 2005

(The figures have not been audited)

	12 months ended	
	30 June 2005 RM'000	30 June 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,541	15,510
Adjustments for :		
Depreciation	95	50
Gain on disposal of plant and equipment	(21)	-
Provision for retirement benefit	28	-
Dividend income	(1,008)	(1,747)
Interest income	(719)	(546)
Share of results of associated company	(2,901)	(10,271)
Unrealised foreign exchange gain	(14)	(705)
Provision for retirement benefits written back	(4)	(69)
Operating profit before working capital changes	997	2,222
Receivables	1,064	(370)
Inventories	10	11
Payables	(6)	193
Cash generated from operations	2,065	2,056
Retirement benefits paid	(1,293)	(17)
Taxes paid	(443)	(787)
Net cash from operating activities	329	1,252
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	1,079	1,823
Interest received	637	515
Purchase of investment	-	(224)
Proceeds from compulsory acquisition of land	-	557
Proceeds from disposal of plant and equipment	21	-
Purchase of property, plant and equipment	(273)	(2)
Net cash from investing activities	1,464	2,669
CASH FLOWS FROM FINANCING ACTIVITY		
Dividend paid	(679)	(397)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,114	3,524
EFFECTS OF EXCHANGE RATE CHANGES	31	707
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	38,948	34,717
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	40,093	38,948

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2004)

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441 K)
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PART A- EXPLANATORY NOTES PURSUANT TO MASB 26

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MASB 26 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2004. 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 financial year ended 30 June 2004.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 30 June 2004 except as disclosed in Note 9 of this report.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2004 was not qualified.

3. 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.

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 June 2005 other than the extraordinary gain from the compulsory acquisition of part of the Company's estate by the State Government.

5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year.

6. Debt and Equity Securities

On 25 April 2005, the Company issued bonus issue of 58,185,165 new ordinary shares of RM1 each on the basis of 29 new ordinary shares for every one existing ordinary share by way of capitalising from the capital reserves of the Company.

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PART A- EXPLANATORY NOTES PURSUANT TO MASB 26

7. Dividends Paid

The amount of dividends paid during the financial period ended 30 June 2005 were as follows:

In respect of the financial year ended 30 June 2004, as reported in the directors' report of that year.

	Amount RM'000	Net dividend per share (Sen)
First and final ordinary dividend of 7% less 28% taxation	101	5.0
Bonus dividend of 40% less 28% taxation	578	28.8
	<u>679</u>	<u>33.8</u>

8. Segmental Information

<u>Cumulative to-date</u>	<u>Plantation</u>		<u>Investments</u>		<u>Consolidated</u>	
	2005	2004	2005	2004	2005	2004
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE AND EXPENSES						
Revenue						
External	4,435	5,361	1,727	2,180	6,162	7,541
Total revenue	<u>4,435</u>	<u>5,361</u>	<u>1,727</u>	<u>2,180</u>	<u>6,162</u>	<u>7,541</u>
					-	-
Result						
Segment result	2,471	3,755	2,719	2,159	5,190	5,914
Unallocated corporate expenses					(2,556)	(1,423)
Foreign exchange gain/(loss)	(25)	-	31	748	6	748
Profit from operations					<u>2,640</u>	<u>5,239</u>
Share of results of associates	-	-	2,901	10,271	2,901	10,271
Taxation					(1,352)	(2,939)
					<u>4,189</u>	<u>12,571</u>
Extraordinary items					350	585
					<u>4,539</u>	<u>13,156</u>
					-	-

9. Carrying Amount of Revalued Assets

During the current quarter, the Company revalued its landed properties and adopted the policy of revaluing its landed properties at least once every five years, based on the valuation of an independent valuer on an open market value basis.

10. Subsequent Events

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

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

12. Contingent Liabilities

There were no contingent liabilities as at the date of the issue of this quarterly report.

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

13. Performance Review

The Group's revenue of RM6.162 million for the financial year ended 30 June 2005 was lower by RM1.379 million as compared to that of prior corresponding financial year ended 30 June 2004. This was due to lower sales revenue and investment income partially offset by higher interest income. Profit before taxation of RM5.541 million was lower than last year's RM15.51 million, mainly due to lower share of profit of associates by RM7.37 million, lower gains from foreign exchange and higher operating cost.

14. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group incurred a higher pre-tax loss of RM1.278 million as compared to the immediate preceding quarter's pre-tax loss of RM610,000. The variance was due to lower sales, higher unrealised exchange loss, higher share of pre-tax loss of the associates although investment income was higher.

15. Commentary on Prospects

The plantation contribution is not expected to improve for the new financial year ending 30 June 2006 due to lower production expected especially from older palms and continuous replanting of palms. The performance of the associated companies is affected by the market valuation of their investments. Currency fluctuations will continue to have an effect on the results.

16. Profit Forecast and Profit Guarantee

There is no profit forecast or profit guarantee.

17. Taxation

	Individual Quarter		Year To Date	
	Current Quarter 30.06.2005 RM'000	Comparative Quarter 30.06.2004 RM'000	Current Period 30.06.2005 RM'000	Comparative Period 30.06.2004 RM'000
Current period's provision:				
Malaysian income tax	144	(497)	732	159
Foreign tax	23	249	81	303
	<u>167</u>	<u>(248)</u>	<u>813</u>	<u>462</u>
(Over)/underprovision of Malaysian income tax in prior years	12	535	12	535
	<u>179</u>	<u>287</u>	<u>825</u>	<u>997</u>
Deferred taxation	-	649	-	620
Share of taxation of associated companies	201	1,199	527	1322
	<u>380</u>	<u>2,135</u>	<u>1,352</u>	<u>2,939</u>

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

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable rate is as follows :

	Current Quarter RM'000	Year To Date RM'000
Profit before tax	<u>(1,278)</u>	<u>5,541</u>
Tax rate applicable for the current year at 28%	(358)	1,551
Expenses not deductible for tax purposes	40	150
Effects of first RM500,000 at 20% tax rate	-	(40)
Foreign source income at lower tax rate	(32)	(32)
Profits in subsidiary not subject to tax	260	(298)
Share of associated companies results at lower tax rate	458	9
Underprovision of taxation	<u>12</u>	<u>12</u>
	<u>380</u>	<u>1,352</u>

18. Sale of Unquoted Investments and Properties

There was no sale of investments and/ or properties for current quarter other than the compulsory acquisition of part of the Company's estate by the State Government.

19. Quoted securities

(a) There was no purchase or disposal of quoted securities for the current quarter.

(b) Summary of details of all investments in quoted securities as at 30 June 2005:

	RM'000
Total investment at cost	7,894
Less: Provision for diminution in value of investments	-
Total investment at carrying value	<u>7,894</u>
Total investment at market value	<u>18,558</u>

20. Corporate Proposals

There was no corporate proposal announced by the Company as at the date of the issue of this quarterly report.

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

21. Borrowings and Debt Securities

There were no group borrowings and debt securities as at 30 June 2005.

22. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of the issue of this quarterly report.

23. Changes in Material Litigation

There was no litigation pending or threatened 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 30 June 2005.

25. Basic Earnings Per Share

	Individual Quarter		Year To Date	
	Current Quarter 30.06.2005	Comparative Quarter 31.06.2004	Current Period 30.06.2005	Comparative Period 31.06.2004
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders	(1,308)	2,099	4,539	13,156
Ordinary shares	60,191	60,191	60,191	60,191
Basic (loss)/earnings per share (sen)	<u>(2.17)</u>	<u>3.49</u>	<u>7.54</u>	<u>21.86</u>

The comparative basic earnings per share has been restated to take into account the effect of the bonus issue.