

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

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 September 2005 (Unaudited) RM'000	As at 30 June 2005 (Audited) RM'000
NON- CURRENT ASSETS		
Property, plant and equipment	73,885	73,909
Associated companies	75,943	75,527
Other Investments	7,894	7,894
Deferred tax assets	103	103
	<u>157,825</u>	<u>157,433</u>
CURRENT ASSETS		
Inventories	59	10
Tax recoverable	368	309
Trade and other receivables	984	933
Cash and short term deposits	40,133	40,093
	<u>41,544</u>	<u>41,345</u>
CURRENT LIABILITIES		
Trade and other payables	3,073	2,804
	<u>3,073</u>	<u>2,804</u>
NET CURRENT ASSETS		
	<u>38,471</u>	<u>38,541</u>
	<u>196,296</u>	<u>195,974</u>
FINANCED BY:		
Share Capital	60,191	60,191
Reserves	132,153	131,838
Shareholders' equity	<u>192,344</u>	<u>192,029</u>
Provision for retirement benefits	371	364
Deferred tax liability	3,581	3,581
	<u>196,296</u>	<u>195,974</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005)

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

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

	Individual Quarter		Year to Date	
	Current quarter ended 30 September 2005 RM'000	Comparative quarter ended 30 September 2004 RM'000	Current period ended 30 September 2005 RM'000	Comparative period ended 30 September 2004 RM'000
Revenue	1,165	1,513	1,165	1,513
Other Operating Income	-	-	-	-
Changes in Inventories	49	(5)	49	(5)
Staff Costs	(145)	(107)	(145)	(107)
Depreciation	(24)	(1)	(24)	(1)
Subcontractor Labour Fertilizer and Chemical Costs	(485)	(521)	(485)	(521)
Replanting cost	(33)	-	(33)	-
Foreign Exchange (Loss) / Gain	(128)	328	(128)	328
Other Operating Expenses	(311)	(284)	(311)	(284)
Profit from Operations	88	923	88	923
Share of Results of Associates	614	715	614	715
Profit before Taxation	702	1,638	702	1,638
Taxation:				
Company	(38)	(118)	(38)	(118)
Associates	(198)	(224)	(198)	(224)
	(236)	(342)	(236)	(342)
Net profit for the period	466	1,296	466	1,296
Earnings per share (sen)				
Basic	0.77	2.15	0.77	2.15

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005)

KLUANG RUBER COMPANY (MALAYA) BERHAD (3441 K)
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Condensed Consolidated Statement of Changes in Equity
for the year ended 30 September 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	
3 months ended							
30 September 2005							
At 1 July 2005	60,191	22,594	85,541	2,672	3,760	10,000	192,029
Arising during the period	-	-	-	(151)	-	-	(151)
Transfer to/(from) reserves	-	-	(2,351)	-	-	-	2,351
Net profit for the year	-	-	-	-	-	-	466
At 30 September 2005	60,191	22,594	83,190	2,521	3,760	10,000	192,344
3 months ended							
30 September 2004							
At 1 July 2004	2,006	12,110	55,336	2,672	4,077	10,000	119,850
Net profit for the year	-	-	-	-	-	-	1,296
At 30 September 2004	2,006	12,110	55,336	2,672	4,077	10,000	121,146

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 30 June 2005)

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

(The figures have not been audited)

	3 months ended	
	30 September 2005 RM'000	30 September 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	702	1,638
Adjustments for :		
Depreciation	24	1
Provision for retirement benefit	7	4
Dividend income	-	(55)
Interest income	(221)	(130)
Share of results of associated company	(614)	(715)
Unrealised foreign exchange gain	127	(329)
Operating profit before working capital changes	25	414
Receivables	(25)	796
Inventories	(49)	5
Payables	269	34
Cash generated from operations	220	1,249
Taxes paid	(97)	(202)
Net cash from operating activities	123	1,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	-	40
Interest received	195	112
Purchase of property, plant and equipment	-	(4)
Net cash from investing activities	195	148
EFFECTS OF EXCHANGE RATE CHANGES	(278)	329
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	40,093	38,948
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	40,133	40,472

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005)

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 are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting (formerly MASB 26) and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2005. 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 2005.

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 2005.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2005 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 September 2005.

5. Changes in Estimates

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

6. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares for the 3 months to-date.

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PART A- EXPLANATORY NOTES PURSUANT TO FRS 134

7. Dividends Paid

No dividend has been paid since the last quarterly report.

8. Segmental Information

<u>Cumulative to-date</u>	<u>Plantation</u>		<u>Investments</u>		<u>Consolidated</u>	
	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000	2005 RM '000	2004 RM '000
REVENUE AND EXPENSES						
Revenue						
External	944	1,328	221	185	1,165	1,513
Total revenue	944	1,328	221	185	1,165	1,513
Result						
Segment result	332	733	208	223	540	956
Unallocated corporate expenses					(324)	(361)
Foreign exchange gain/(loss)	-	-	(128)	328	(128)	328
Profit from operations					88	923
Share of results of associates	-	-	614	715	614	715
Taxation					(236)	(342)
					466	1,296

9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial report.

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.

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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 RM1.165 million for the current period ended 30 September 2005 was lower by RM348,000 as compared to that of prior corresponding financial period ended 30 September 2004. This was due to lower sales and nil dividend income offset by higher interest income. Profit before taxation of RM702,000 was lower than the RM1.638 million achieved during the quarter ended 30 September 2004. This was mainly due to lower share of results of associates and unrealised exchange loss of RM128,000 incurred for the current period as compared to the unrealised exchange gain of RM328,000 attained for the prior corresponding period.

14. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group achieved a pre-tax profit of RM702,000 as compared to the immediate preceding quarter's pre-tax loss of RM1.278 million. This was mainly due to lower unrealised exchange loss and share of results of associates was a profit of RM614,000 as compared to the immediate preceding quarter's loss of RM536,000.

15. Commentary on Prospects

The plantation contribution is not expected to improve for the rest of the financial year 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 30.09.2005 RM'000	Comparative Quarter 30.09.2004 RM'000	Current Period 30.09.2005 RM'000	Comparative Period 30.09.2004 RM'000
Current period's provision:				
Malaysian income tax	38	118	38	118
Share of taxation of associated companies	198	224	198	224
	<u>236</u>	<u>342</u>	<u>236</u>	<u>342</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	702	702
Tax rate applicable for the current year at 28%	197	197
Expenses not deductible for tax purposes	35	35
Profits in subsidiary not subject to tax	(22)	(22)
Share of associated companies results at lower tax rate	26	26
	<u>236</u>	<u>236</u>

18. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties.

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 September 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>18,891</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 and Debt Securities

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

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

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 September 2005.

25. Basic Earnings Per Share

	Individual Quarter		Year To Date	
	Current Quarter 30.09.2005	Comparative Quarter 30.09.2004	Current Period 30.09.2005	Comparative Period 30.09.2004
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders	466	1,296	466	1,296
Ordinary shares	60,191	60,191	60,191	60,191
Basic (loss)/earnings per share (sen)	<u>0.77</u>	<u>2.15</u>	<u>0.77</u>	<u>2.15</u>

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