

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

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 31 March 2006 (Unaudited) RM'000	As at 30 June 2005 (Audited) RM'000
NON- CURRENT ASSETS		
Property, plant and equipment	74,120	73,909
Associated companies	76,425	75,527
Other Investments	8,229	7,894
Deferred tax assets	103	103
	<u>158,877</u>	<u>157,433</u>
CURRENT ASSETS		
Inventories	32	10
Tax recoverable	421	309
Trade and other receivables	343	933
Cash and short term deposits	40,754	40,093
	<u>41,550</u>	<u>41,345</u>
CURRENT LIABILITIES		
Trade and other payables	3,021	2,804
Tax payable	-	-
	<u>3,021</u>	<u>2,804</u>
NET CURRENT ASSETS	<u>38,529</u>	<u>38,541</u>
	<u>197,406</u>	<u>195,974</u>
FINANCED BY:		
Share Capital	60,191	60,191
Reserves	133,252	131,838
Shareholders' equity	<u>193,443</u>	<u>192,029</u>
Provision for retirement benefits	382	364
Deferred tax liability	3,581	3,581
	<u>197,406</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 31 March 2006
(The figures have not been audited)

	Individual Quarter		Year to Date	
	Current quarter ended 31 March 2006 RM'000	Comparative quarter ended 31 March 2005 RM'000	Current period ended 31 March 2006 RM'000	Comparative period ended 31 March 2005 RM'000
Revenue	1,337	1,257	4,465	4,981
Other Operating Income	-	22	1	22
Changes in Inventories	(104)	36	22	106
Staff Costs	(107)	(122)	(397)	(383)
Depreciation	(24)	(68)	(71)	(71)
Subcontractor Labour Fertilizer and Chemical Costs	(480)	(447)	(1,115)	(1,190)
Replanting cost	(94)	-	(169)	-
Foreign Exchange Gain/(Loss)	345	(719)	223	1,085
Other Operating Expenses	(165)	(482)	(823)	(1,168)
Profit/(Loss) from Operations	708	(523)	2,136	3,382
Share of Results of Associates	860	(87)	2,279	3,437
Profit/(Loss) before Taxation	1,568	(610)	4,415	6,819
Taxation:				
Company	(77)	(284)	(382)	(646)
Associates	(55)	55	(379)	(326)
	(132)	(229)	(761)	(972)
Profit/(Loss) before extraordinary item	1,436	(839)	3,654	5,847
Extraordinary item	-	-	(350)	-
Net profit/(loss) for the period	1,436	(839)	3,304	5,847
Earnings/(Loss) per share (sen)				
Basic	2.39	(1.39)	5.49	9.71

(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 period ended 31 March 2006

(The figures have not been audited)

	← Non-distributable →		← Cultivation and replacement reserves →		← Distributable →		Total RM '000
	Share capital RM '000	Capital reserves RM '000	Share of associated companies reserves RM '000	Exchange fluctuation reserve RM '000	General reserve RM '000	Retained profits RM '000	
9 months ended 31 March 2006							
At 1 July 2005	60,191	22,594	85,541	2,672	10,000	7,271	192,029
Arising during the period	-	-	-	(840)	-	(617)	(1,457)
Transfer to/(from) reserves	-	-	(2,499)	-	-	2,499	-
- Share of associates other reserves	-	-	-	-	-	169	-
- Replanting expenses	-	-	-	-	(169)	-	-
- Gain from compulsory acquisition of land	-	(350)	-	-	-	350	-
Net profit for the period	-	-	-	-	-	3,304	3,304
Dividends	-	-	-	-	-	(433)	(433)
At 31 March 2006	60,191	22,244	83,042	1,832	10,000	12,543	193,443
9 months ended 31 March 2005							
At 1 July 2004	2,006	12,110	55,336	2,672	10,000	33,649	119,850
Net profit for the period	-	-	-	-	-	5,847	5,847
Transfer (to)/ from reserves	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(679)	(679)
At 31 March 2005	2,006	12,110	55,336	2,672	10,000	38,817	125,018

(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 31 March 2006

(The figures have not been audited)

	9 months ended	
	31 March 2006 RM'000	31 March 2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,415	6,819
Adjustments for :		
Depreciation	71	71
Provision for retirement benefit	21	11
Dividend income	(845)	(892)
Interest income	(747)	(506)
Share of results of associated company	(2,279)	(3,437)
Unrealised foreign exchange gain	(222)	(1,093)
Operating profit before working capital changes	414	973
Receivables	(61)	872
Inventories	(22)	(106)
Payables	217	(213)
Cash generated from operations	548	1,526
Payment made for provision for retirement benefits	(3)	(8)
Taxes paid	(338)	(443)
Net cash from operating activities	207	1,075
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	1,074	1,372
Interest received	766	451
Purchase of investment	(576)	(604)
Purchase of property, plant and equipment	-	(273)
Net cash from investing activities	1,264	946
CASH FLOWS FROM FINANCING ACTIVITY		
Dividend paid	(433)	(679)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,038	1,342
EFFECTS OF EXCHANGE RATE CHANGES	(377)	1,093
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	40,093	38,948
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	40,754	41,383

(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 31 March 2006 other than the write-back of the extraordinary gain which was recognised in the last financial year based on the issuance of Form K on 11 December 2004. This write-back was due to the State Government's subsequent decision on 11 November 2005 not to acquire part of the Company's estate.

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 9 months to-date.

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PART A- EXPLANATORY NOTES PURSUANT TO FRS 134

7. Dividends Paid

The amount of dividends paid during the financial period ended 31 March 2006 were as follows:

In respect of financial year ended 30 June 2005, as reported in the directors' report of that year:

	Amount RM'000	Net dividend per share (Sen)
First and final ordinary dividend of 1% less 28% taxation	<u>433</u>	<u>0.7</u>

8. Segmental Information

<u>Cumulative to-date</u>	<u>Plantation</u>		<u>Investments</u>		<u>Consolidated</u>	
	2006 RM '000	2005 RM '000	2006 RM '000	2005 RM '000	2006 RM '000	2005 RM '000
REVENUE AND EXPENSES						
Revenue						
External	2,873	3,583	1,592	1,398	4,465	4,981
Total revenue	<u>2,873</u>	<u>3,583</u>	<u>1,592</u>	<u>1,398</u>	<u>4,465</u>	<u>4,981</u>
Result						
Segment result	1,292	2,012	1,570	2,267	2,862	4,279
Unallocated corporate expenses					(949)	(1,982)
Foreign exchange gain/(loss)	(265)	-	488	1,085	223	1,085
Profit from operations					<u>2,136</u>	<u>3,382</u>
Share of results of associates	-	-	2,279	3,437	2,279	3,437
Taxation					(761)	(972)
					<u>3,654</u>	<u>5,847</u>
Extraordinary item					(350)	-
					<u>3,304</u>	<u>5,847</u>

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 RM4.465 million for the current period ended 31 March 2006 was lower by RM516,000 as compared to that of prior corresponding financial period ended 31 March 2005. This was due to lower sales and dividend income offset by higher interest income. Profit before taxation of RM4.415 million was significantly lower than the RM6.819 million achieved during the 9-month period ended 31 March 2005. This was mainly due to lower share of results of associates and lower unrealised exchange gain.

14. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group's pre-tax profit of RM1.568 million was lower than the immediate preceding quarter's RM2.145 million mainly due to no dividend was received during the quarter. This negative impact was partially offset by higher sales, lower operating expenses, higher unrealised exchange gain and higher share of profit of associates.

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 31.03.2006 RM'000	Comparative Quarter 31.03.2005 RM'000	Current Period 31.03.2006 RM'000	Comparative Period 31.03.2005 RM'000
Current period's provision:				
Malaysian income tax	77	284	226	588
Foreign tax	-	-	48	58
	<u>77</u>	<u>284</u>	<u>274</u>	<u>646</u>
Deferred taxation	-	-	-	-
Share of taxation of associated companies	55	(55)	487	326
	<u>132</u>	<u>229</u>	<u>761</u>	<u>972</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>1,568</u>	<u>4,415</u>
Tax rate applicable for the current year at 28%	439	1,236
Expenses not deductible for tax purposes	84	143
Foreign source income at lower tax rate	-	(24)
Profits in subsidiary not subject to tax	(206)	(443)
Share of associated companies results at lower tax rate	(185)	(151)
Underprovision of taxation	-	-
	<u>132</u>	<u>761</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 31 March 2006:

	RM'000
Total investment at cost	8,229
Less: Provision for diminution in value of investments	-
Total investment at carrying value	<u>8,229</u>
Total investment at market value	<u>21,049</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 31 March 2006.

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 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 March 2006.

25. Basic Earnings Per Share

	Individual Quarter		Year To Date	
	Current Quarter 31.03.2006	Comparative Quarter 31.03.2005	Current Period 31.03.2006	Comparative Period 31.03.2005
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to shareholders	1,436	(839)	3,304	5,847
Ordinary shares	60,191	60,191	60,191	60,191
Basic earnings/(loss) per share (sen)	<u>2.39</u>	<u>(1.39)</u>	<u>5.49</u>	<u>9.71</u>

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