

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

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 June 2006 (Unaudited) RM'000	As at 30 June 2005 (Audited) RM'000
NON- CURRENT ASSETS		
Property, plant and equipment	74,100	73,909
Associated companies	79,507	75,527
Other Investments	8,205	7,894
Deferred tax assets	185	103
	<u>161,997</u>	<u>157,433</u>
CURRENT ASSETS		
Inventories	12	10
Tax recoverable	262	309
Trade and other receivables	534	933
Cash and short term deposits	41,788	40,093
	<u>42,596</u>	<u>41,345</u>
CURRENT LIABILITIES		
Trade and other payables	2,919	2,804
	<u>2,919</u>	<u>2,804</u>
NET CURRENT ASSETS		
	<u>39,677</u>	<u>38,541</u>
	<u>201,674</u>	<u>195,974</u>
FINANCED BY:		
Share Capital	60,191	60,191
Reserves	137,499	131,838
Shareholders' equity	<u>197,690</u>	<u>192,029</u>
Provision for retirement benefits	389	364
Deferred tax liability	3,595	3,581
	<u>201,674</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 June 2006
(The figures have not been audited)

	Individual Quarter		Year to Date	
	Current quarter ended 30 June 2006 RM'000	Comparative quarter ended 30 June 2005 RM'000	Current period ended 30 June 2006 RM'000	Comparative period ended 30 June 2005 RM'000
Revenue	1,331	1,181	5,796	6,162
Other Operating Income	-	-	1	22
Changes in Inventories	(20)	(116)	2	(10)
Staff Costs	(370)	(117)	(767)	(500)
Depreciation	(24)	(24)	(95)	(95)
Subcontractor Labour Fertilizer and Chemical Costs	(194)	(322)	(1,478)	(1,512)
Foreign Exchange Gain/(Loss)	702	(1,079)	925	6
Other Operating Expenses	(236)	(265)	(1,059)	(1,433)
Profit/(Loss) from Operations	1,189	(742)	3,325	2,640
Share of Results of Associates	3,775	(536)	6,054	2,901
Profit/(Loss) before Taxation	4,964	(1,278)	9,379	5,541
Taxation:				
Company	(77)	(179)	(351)	(825)
Associates	(206)	(201)	(693)	(527)
	(283)	(380)	(1,044)	(1,352)
Profit/(Loss) before extraordinary item	4,681	(1,658)	8,335	4,189
Extraordinary item	-	350	(350)	350
Net profit/(loss) for the period	4,681	(1,308)	7,985	4,539
Earnings/(Loss) per share (sen)				
Basic	7.78	(2.17)	13.27	7.54

(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)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity
for the year ended 30 June 2006
(The figures have not been audited)

	← Non-distributable		← Cultivation and		← Distributable →		
	Share of associated companies reserves RM '000	Exchange fluctuation reserve RM '000	Capital reserves RM '000	Share of associated companies reserves RM '000	General reserve RM '000	Retained profits RM '000	Total RM '000
12 months ended 30 June 2006							
At 1 July 2005	60,191	22,594	85,541	2,672	3,760	10,000	7,271
Arising during the period	-	-	(14)	(932)	-	-	(1,877)
Deferred tax on revaluation surplus	-	-	(14)	-	-	-	(14)
Transfer to/(from) reserves	-	-	(2,383)	-	-	-	2,383
- Share of associates other reserves	-	-	-	-	(196)	-	196
- Replanting expenses	-	-	-	-	-	-	-
- Gain from compulsory acquisition of land	-	(350)	-	-	-	-	350
Net profit for the period	-	-	-	-	-	-	7,985
Dividends	-	-	-	-	-	-	(433)
At 30 June 2006	60,191	22,230	82,213	1,740	3,564	10,000	17,752
							197,690
12 months ended 30 June 2005							
At 1 July 2004	2,006	12,110	55,336	2,672	3,923	10,000	33,803
Bonus issue	58,185	(58,185)	-	-	-	-	-
Revaluation surplus	-	71,900	-	-	-	-	71,900
Deferred tax on revaluation surplus	-	(3,581)	-	-	-	-	(3,581)
Transfer (to)/ from reserves	-	-	30,205	-	(163)	-	(30,205)
- Share of associates other reserves	-	-	-	-	-	-	163
- Replanting expenses	-	-	-	-	-	-	-
- Gain from compulsory acquisition of land	-	350	-	-	-	-	(350)
Net profit for the period	-	-	-	-	-	-	4,539
Dividends	-	-	-	-	-	-	(679)
At 30 June 2005	60,191	22,594	85,541	2,672	3,760	10,000	7,271
							192,029

(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)
(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statement
for the year ended 30 June 2006
(The figures have not been audited)

	12 months ended	
	30 June 2006 RM'000	30 June 2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,379	5,541
Adjustments for :		
Depreciation	95	95
Gain on disposal of plant and equipment	-	(21)
Provision for retirement benefit	228	23
Dividend income	(941)	(1,008)
Interest income	(1,043)	(719)
Share of results of associated company	(6,054)	(2,901)
Unrealised foreign exchange gain	(927)	(14)
Operating profit before working capital changes	737	996
Receivables	(208)	1,064
Inventories	(2)	10
Payables	(396)	(6)
Cash generated from operations	131	2,064
Payment made for provision for retirement benefits	(3)	(1,292)
Taxes paid	(339)	(443)
Net cash (used in)/from operating activities	(211)	329
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	730	1,079
Interest received	1,018	637
Purchase of property, plant and equipment	(4)	(273)
Proceeds from disposal of plant and equipment	-	21
Net cash from investing activities	1,744	1,464
CASH FLOWS FROM FINANCING ACTIVITY		
Dividend paid	(433)	(679)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,100	1,114
EFFECTS OF EXCHANGE RATE CHANGES	595	31
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	40,093	38,948
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	41,788	40,093

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

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 year ended 30 June 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 financial year ended 30 June 2006.

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

PART A- EXPLANATORY NOTES PURSUANT TO FRS 134

7. Dividends Paid

The amount of dividends paid during the financial year ended 30 June 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	3,812	4,436	1,984	1,726	5,796	6,162
Total revenue	<u>3,812</u>	<u>4,436</u>	<u>1,984</u>	<u>1,726</u>	<u>5,796</u>	<u>6,162</u>
Result						
Segment result	1,880	2,471	2,909	2,718	4,789	5,189
Unallocated corporate expenses					(2,388)	(2,555)
Foreign exchange gain/(loss)	(313)	(25)	1,238	31	925	6
Profit from operations					<u>3,326</u>	<u>2,640</u>
Share of results of associates	-	-	6,054	2,901	6,054	2,901
Taxation					(1,044)	(1,352)
					<u>8,336</u>	<u>4,189</u>
Extraordinary item					(350)	350
					<u>7,986</u>	<u>4,539</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.

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

13. Performance Review

The Group's revenue of RM5.796 million for the current year ended 30 June 2006 was lower by RM366,000 as compared to that of prior financial year ended 30 June 2005. This was due to lower sales and dividend income offset by higher interest income. Profit before taxation of RM9.379 million was however higher than the RM5.541 million achieved during the prior financial year ended 30 June 2005. This was mainly due to higher share of results of associates and higher unrealised exchange gain.

14. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group's pre-tax profit of RM4.964 million was higher than the immediate preceding quarter's RM1.568 million, mainly due to higher share of results of associates and higher unrealised exchange gain.

15. Commentary on Prospects

The plantation performance for the new financial year will very much depend on the price movement of CPO which is anticipated to appreciate further in the near future. This is due to the strong demand from large population countries such as China and India and an increase in usage of palm oil as bio-diesel.

The production is expected to remain more or less the same as financial year ended 30 June 2006 although there is continuous replanting of old 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 30.06.2006 RM'000	Comparative Quarter 30.06.2005 RM'000	Current Period 30.06.2006 RM'000	Comparative Period 30.06.2005 RM'000
Current period's provision:				
Malaysian income tax	113	144	339	732
Foreign tax	-	23	48	81
	<u>113</u>	<u>167</u>	<u>387</u>	<u>813</u>
Under/(over) provision of Malaysian income tax in prior years	46	12	46	12
Deferred taxation	(82)	-	(82)	-
Share of taxation of associated companies	206	201	693	527
	<u>283</u>	<u>380</u>	<u>1,044</u>	<u>1,352</u>

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

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	4,964	9,379
Tax rate applicable for the current year at 28%	1,390	2,626
Expenses not deductible for tax purposes	10	153
Foreign source income at lower tax rate	(26)	(50)
Profits in subsidiary not subject to tax	(271)	(714)
Share of associated companies results at lower tax rate	(851)	(1,002)
Underprovision of deferred taxation	(15)	(15)
Underprovision of taxation	46	46
	<u>283</u>	<u>1,044</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 June 2006:

	RM'000
Total investment at cost	8,205
Less: Provision for diminution in value of investments	-
Total investment at carrying value	<u>8,205</u>
Total investment at market value	<u>19,505</u>

20. Corporate Proposals

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

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

21. Borrowings and Debt Securities

There were no group borrowings and debt securities as at 30 June 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 year ended 30 June 2006.

25. Basic Earnings Per Share

	Individual Quarter		Year To Date	
	Current Quarter 30.06.2006	Comparative Quarter 30.06.2005	Current Period 30.06.2006	Comparative Period 30.06.2005
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to shareholders	4,681	(1,308)	7,985	4,539
Ordinary shares	60,191	60,191	60,191	60,191
Basic earnings/(loss) per share (sen)	<u>7.78</u>	<u>(2.17)</u>	<u>13.27</u>	<u>7.54</u>