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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 31<sup>st</sup> MARCH 2006**

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**CONDENSED INCOME STATEMENTS**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-03-06 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-03-05 RM'000	CURRENT YEAR TO DATE 31-03-06 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-03-05 RM'000
Revenue	817	695	2,379	2,158
Operating Expenses	(886)	(1,315)	(1,883)	(3,297)
Other Operating Income/(Expense)	0	207	111	728
Allowance for Doubtful Debts	0	(88,274)	(1)	(88,274)
Provision for Liabilities	(164)	0	(28,974)	0
<b>PROFIT / (LOSS) FROM OPERATIONS</b>	<b>(233)</b>	<b>(88,687)</b>	<b>(28,368)</b>	<b>(88,685)</b>
Finance costs	(1,432)	(1,303)	(4,197)	(3,896)
<b>LOSS BEFORE TAXATION</b>	<b>(1,665)</b>	<b>(89,990)</b>	<b>(32,565)</b>	<b>(92,581)</b>
Taxation	0	0	0	0
<b>LOSS AFTER TAXATION</b>	<b>(1,665)</b>	<b>(89,990)</b>	<b>(32,565)</b>	<b>(92,581)</b>
Minority interest	0	0	0	0
<b>NET LOSS FOR THE PERIOD</b>	<b>(1,665)</b>	<b>(89,990)</b>	<b>(32,565)</b>	<b>(92,581)</b>
<b>EARNINGS/(LOSS) PER SHARE (SEN)</b>				
Basic (based on 66,150,000 ordinary Share)	<b>(2.52)</b>	<b>(136.04)</b>	<b>(49.23)</b>	<b>(139.96)</b>

*(The Condensed Income Statements should be read in conjunction with the Notes to the Interim Financial Report from pages 5 to 11)*

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**CONDENSED BALANCE SHEETS**

	<b>As At 31-03-06 RM'000</b>	<b>Audited As At 30-06-05 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	56,093	56,202
Long Term Investment	0	1,054
	<u>56,093</u>	<u>57,256</u>
<b>Current Assets</b>		
Inventories	4	7
Trade and Other Receivables	250	283
Deposits, Cash and Bank Balances	801	515
	<u>1,055</u>	<u>805</u>
<b>TOTAL ASSETS</b>	<b><u>57,148</u></b>	<b><u>58,061</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	66,150	66,150
Capital Reserves	34,315	34,315
Revenue Reserves	(178,637)	(146,072)
<b>Equity attributable to equity holders</b>	<u>(78,172)</u>	<u>(45,607)</u>
Minority Interest	0	0
<b>Total Equity</b>	<u>(78,172)</u>	<u>(45,607)</u>
<b>Non-Current Liabilities</b>		
Deferred Taxation	<u>2,624</u>	<u>2,624</u>
<b>Current Liabilities</b>		
Trade and Other Payables	79,796	46,889
Short Term Borrowings	47,215	48,441
Hire Purchase Creditors	0	29
Tax Liabilities	5,685	5,685
	<u>132,696</u>	<u>101,044</u>
<b>Total Liabilities</b>	<u>135,320</u>	<u>103,668</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>57,148</u></b>	<b><u>58,061</u></b>
Net asset per share (sen)	(118.17)	(68.94)

*(The Condensed Balance Sheets should be read in conjunction with the Notes to the Interim Financial Report from pages 5 to 11)*

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**For The Period Ended 31<sup>st</sup> March 2006**

	<u>Non – Distributable</u> Share Capital RM'000	<u>Capital</u> Reserve RM'000	<u>Distributable</u> Retained Earnings RM'000	Total RM'000
<b><u>As at end 31<sup>st</sup> March 2006</u></b>				
As at 1 July 2005	66,150	34,315	(146,072)	(45,607)
Net Loss For The Period	-	-	(32,565)	(32,565)
<b>As at 31<sup>st</sup> March 2006</b>	<b><u>66,150</u></b>	<b><u>34,315</u></b>	<b><u>(178,637)</u></b>	<b><u>(78,172)</u></b>
 <b><u>As at end 31<sup>st</sup> March 2005</u></b>				
As at 1 July 2004	66,150	34,315	(139,176)	(38,711)
Net Loss For The Period	-	-	(92,581)	(92,581)
<b>As At 31<sup>st</sup> March 2005</b>	<b><u>66,150</u></b>	<b><u>34,315</u></b>	<b><u>(231,757)</u></b>	<b><u>(131,292)</u></b>

*(The Condensed Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report from pages 5 to 11)*

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**CONDENSED CASH FLOW STATEMENT**

	<b>As At 31-03-06 RM'000</b>	<b>As At 31-03-05 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(1,665)	(89,990)
Adjustments for :		
Depreciation of Property, Plant and Equipment	5	15
Gain on Disposal of Property, Plant and Equipment	-	-
Gain on Disposal of Investment	-	-
Property, Plant and Equipment written Off	-	-
Interest and dividend income	-	(20)
Interest Expense	1,432	1,355
Operating profit before working capital changes	<u>( 228 )</u>	<u>(88,640)</u>
Changes in working capital :		
Net change in current assets	14	(1,943)
Net change in current liabilities	230	90,678
Tax paid	-	(5)
<b>Net cash flows from operating activities</b>	<u>16</u>	<u>90</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividend income	-	19
Proceeds From Disposal of Property, Plant and Equipment	-	1
Proceed From Disposal of Investment	-	-
Purchase of Fixed Assets	-	-
<b>Net cash flows from investing activities</b>	<u>0</u>	<u>20</u>
Bank Borrowings		
- New draw down	-	5
- Repayment	(165)	-
- Interest paid	-	(1)
<b>Net cash flows from financing activity</b>	<u>(165)</u>	<u>4</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(149)	114
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	950	253
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A14)</b>	<u><b>801</b></u>	<u><b>367</b></u>

*(The Condensed Cash Flow Statement should be read in conjunction with the Notes to the Interim Financial Report from pages 5 to 11)*

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**A. NOTES TO THE INTERIM FINANCIAL REPORT**

**A1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting (previously known as MASB 26 and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements).

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30<sup>th</sup> June 2005.

The accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted in the financial statements for the year ended 30<sup>th</sup> June 2005 except for the adoption of the following new/revised Financial Reporting Standards (FRS) effective for the financial period beginning 1<sup>st</sup> January 2006.

FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets

The adoption of the above and the revised FRSs does not have significant financial impact on the company except the following:-

a) FRS 116 : Property, Plant and Equipment

In accordance with FRS 116, Property, Plant and Equipment requires the review of the residual value and remaining useful life of property, plant and equipment at least at each financial year end. If the residual value of the asset increases to an amount equal to or greater than the asset's carrying amount, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

There were no changes in estimation of residual value and remaining useful life of its property, plant and equipment that have had material effect in the current quarter and financial period to date result.

b) FRS 101 : Presentation of Financial Statements

The adoption of FRS 101 have caused the presentation of the comparative financial statements of the Company to be restated to conform with the current period's presentation.

The interim financial report for the quarter ended 31<sup>st</sup> March have been prepared on a company basis only, since the directors of the Company do not have any management control over any of its subsidiary Companies.

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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**A. NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D**

**A2 Preceding annual financial statements**

The audit report of the financial year ended 30<sup>th</sup> June 2005 was qualified as the auditor did not express an opinion as to whether the financial statements of the Company have been prepared in accordance with applicable and approved accounting standards in Malaysia, and matters required to be disclosed by section 169 of the Company Act, 1965.

The auditor's view was based on the following factors :-

- 1) They were unable to carry out all auditing procedures and to obtain all information and explanations they considered necessary in the audit of the financial statements of the Company including the appropriate disclosures and overall presentation of the financial statements, since there were insufficient accounting records and/or supporting documents of the Company and its subsidiary Companies.
- 2) They were unable to present the Financial Statements for the Group as the financial statements of all subsidiary companies were not available for consolidation.
- 3) There were uncertainties at the date of the financial statements were reported of the successful and timely completion of the Company's proposed restructuring scheme, including obtaining the support and approval from the creditors and source of new funds which may cast significant doubt on the Group's and Company ability to continue as a going concern and therefore, the Group and the Company may be unable to realize their assets and discharge their liabilities in the normal course of business. In the event that the Group and Company are not able to continue as going concerns, adjustments would have to be made to reduce the values of the assets to their recoverable amounts, to provide any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and liabilities respectively.

**A3 Seasonal or cyclical factors**

Climate conditions and the age of the palms have an effect on the oil palm plantations' operational performance. Movement in CPO prices in line with the world demand and supply situation will also affect the results.

For the quarter under review, average CPO prices achieved of RM 1,428 /MT was higher than that of the preceding quarter of RM 1,423/MT. The FFB yields achieved was also higher for the quarter under review than that of the preceding quarter.

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no items affecting assets, liabilities, equity, net income or cash flows of the Company that are unusual because of their nature, size or incidence other than provisions for bad debts and provision for liabilities on corporate guarantees for banking facilities granted to subsidiary companies.

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**A5 Material changes in estimates**

There were no changes in estimates of amounts that have had a material effect in the current financial quarter.

**A. NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D**

**A6 Issuances, Cancellations, Repurchases, Resale and Repayment of Debt and Equity securities**

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31<sup>st</sup> March 2006.

**A7 Dividend paid**

No dividend has been paid in the current financial quarter.

**A8 Segment information**

The analysis of the Company's operations for the 9 months period ended 31<sup>st</sup> March 2006 are as follows:-

	Oil Palm & Rubber	Investment Holdings	Elimination	Total
<b>Revenue</b>				
External Revenue	2,379	-	-	2,379
	2,379	-	-	2,379
<b>Results</b>				
Segment results	1,198	(29,566)	-	(28,368)
Profit From Operations			-	(28,368)
Finance Cost	-	(4,197)	-	(4,197)
<b>Net Loss For The Period</b>				(32,565)

	Oil Palm & Rubber	Investment Holdings	Elimination	Total
<b>Assets</b>				
Segment Assets	56,315	833	-	57,148
				57,148
<b>Liabilities</b>				
Segment Liabilities	2,925	132,395	-	135,320
				135,320

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**A. NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D**

	Oil Palm & Rubber	Investment Holdings	Elimination	Total
<b><u>Other Information</u></b>				
Depreciation	15	-	-	15
Capital Expenditure	-	2	-	2
Assets Written Off	-	67	-	67
Other Non-cash Expenses	-	1	-	1

**A9 Property, plant and equipment**

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment. There were no valuations made for the quarter under review.

**A10 Material events subsequent to the end of the interim period**

There were no material events subsequent to the current financial quarter ended 31<sup>st</sup> March 2006 up to the date of this report which, is likely to substantially affect the results of the operations of the Company.

**A11 Changes in the composition of the Company**

There were no changes in the composition of the Company for the quarter under review.

**A12 Contingent liabilities**

The Company has given corporate guarantees amounting to RM 7,312,301 (As at 30/06/2005: RM 35,433,988) to licensed banks and third party for banking and credit facility respectively granted to certain subsidiary companies and joint venture partner.

**A13 Significant related party transactions**

There were no significant related party transactions for the quarter under review.

**A14 Cash and cash equivalents**

	31-03-06 RM'000	31-03-05 RM'000
Deposits, cash and bank balances	801	367
	<b>801</b>	<b>367</b>



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**B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD  
LISTING REQUIREMENTS****B1 Review of performance**

The Company recorded a higher turnover of RM 0.817 million for the current quarter ended 31<sup>st</sup> March 2006 as compared to turnover of RM 0.695 million recorded in the preceding year corresponding quarter due to an increase in latex output and higher prices.

**B2 Variation of results against preceding quarter**

The Company's pre-tax loss of RM 1,665 million for the current quarter ended 31<sup>st</sup> March 2006 is lower than the pre-tax loss of RM 89,990 million registered in the preceding year corresponding quarter due to provision for doubtful debts amounting to RM 88.274 million made in the preceding year quarter ended 31<sup>st</sup> March 2005.

**B3 Prospects**

In view of the uncertainties in global economic conditions and the company's current financial position, the directors expect the Company to operate under a very challenging environment for the subsequent financial year.

**B4 Profit forecast and profit guarantee**

The Company did not issue any profit forecast nor profit guarantee during the current financial quarter.

**B5 Taxation**

	9 months ended	
	31-03-06 RM'000	31-03-05 RM'000
Current Taxation	0	0
	<u>0</u>	<u>0</u>

There was no provision for taxation charge for the quarter under review as the Group is in a tax loss position.

**B6 Unquoted investment and properties**

There were no disposal of Unquoted investments and properties for the current financial quarter ended 31<sup>st</sup> March 2006.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD  
LISTING REQUIREMENTS - CONT'D**

**B7 Quoted securities**

Investments in quoted securities as at 31<sup>st</sup> March 2006 are as follows:

	<b>RM</b>
At Cost	73.57
<b>Book Value</b>	<u><b>73.57</b></u>
<b>Market Value</b>	<u><b>921.60</b></u>

There were no purchase or disposal of quoted securities during the current financial quarter ended 31<sup>st</sup> March 2006.

**B8 Status of corporate proposals**

The applications to regularize the financial condition of Bukit Katil Resources Berhad (BKRB) which were submitted to the Securities Commission on 16<sup>th</sup> December 2005 had been rejected as the Securities Commission (SC) is in the view that the Proposed Restructuring Scheme does not meet the requirements of Paragraph 13.02 of the SC's Policies and Guidelines on the Issue/Offer of Securities. The Board of Directors of BKRB will deliberate on the next course of action to be taken and an announcement will be made in due course. Pursuant to the SC's Policies and Guidelines on Issue/Offer of Securities, BKRB may make an application for a review of the abovementioned SC's decision within 30 days from 10<sup>th</sup> May 2006..

**B9 Borrowings and debt securities**

Details of the Group's borrowings as at 31<sup>st</sup> March 2006 are as follows :

	<b>Short-term RM'000</b>	<b>Long-term RM'000</b>	<b>Total RM'000</b>
Secured	44,715	-	<b>44,715</b>
Unsecured	2,500	-	<b>2,500</b>
<b>Total Group borrowings</b>	<u><b>47,215</b></u>	<u><b>-</b></u>	<u><b>47,215</b></u>

**B10 Off balance sheet financial instruments**

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

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD  
LISTING REQUIREMENTS - CONT'D**

**B11 Material litigation**

A financial institution has initiated legal proceedings against the Company due to default in the payment of principal and interest

1. A financial institution has initiated legal proceedings against the company and its subsidiary due to default in the payment of principal and interest. The financial institution had obtained a winding-up petition under Section 218(2) of the Companies Act, 1965 on 6 October 2003 and was served on the company on 14<sup>th</sup> November 2003. The court allowed the financial institution's application for the winding-up petition on 8<sup>th</sup> September 2004. The Company however has filed a Notice of Appeal to the Court of Appeal against the decision of the High Court. The High Court on 16<sup>th</sup> October 2005 granted a stay of the winding-up order for a period until 18<sup>th</sup> August 2006 pursuant to powers of the High Court provided for in section 243 of the Companies Act, 1965.
2. A financial institution has initiated legal proceedings against the company due to default in the payment of principal and interest. The application by the financial institution to enter summary judgement against the Company was allowed by the Learned Senior Registrar on 16<sup>th</sup> July 2004.
3. A financial institution has initiated legal proceedings against the company and its subsidiary due to default in the payment of principal and interest.
4. A third party has initiated legal proceedings against the company in breach of a "Call Option" contract. On 19<sup>th</sup> April 2004, a final judgement was granted by the High Court for RM14.0 million against the company, inclusive of interest until the date of full settlement.

The Company has recognized the above liabilities as part of the debt restructuring scheme submitted to the Securities Commission on 16<sup>th</sup> December 2005.

**B12 Dividends**

No dividends have been proposed for the current financial quarter.

**B13 Earnings per share**

The basic earnings per share and diluted earnings per share of the Company was the same for the reporting period because there were no effects of dilutive potential ordinary shares.

The basic earning per share is calculated by dividing the Company's net profit for the quarter/period by the number of ordinary shares in issue during the quarter/period.