

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2005**

	<b>As at 30 June 2005 (Unaudited) RM'000</b>	<b>As at 30 June 2004 (Audited) RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7,457	7,678
Investment in Associated Companies	49,858	43,505
Other Investments	26,420	33,278
Due from Associates	200	400
Deferred Tax Assets	70	64
	<u>84,005</u>	<u>84,925</u>
<b>CURRENT ASSETS</b>		
Inventories	3	11
Tax recoverable	-	-
Trade and other receivables	1,026	3,220
Cash and short term deposits	117,841	112,453
	<u>118,870</u>	<u>115,684</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,668	3,637
Tax payable	18	3
	<u>2,686</u>	<u>3,640</u>
<b>NET CURRENT ASSETS</b>	116,184	112,044
	<u>200,189</u>	<u>196,969</u>
<b>FINANCED BY:</b>		
Share Capital	60,492	1,890
Reserves	139,369	194,770
Shareholders' equity	199,861	196,660
Provision for retirement benefits	328	309
	<u>200,189</u>	<u>196,969</u>

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
**(Incorporated in Malaysia)**

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

	Individual Quarter		Year to Date	
	Current quarter ended 30 June 2005 RM'000	Comparative quarter ended 30 June 2004 RM'000	Current period ended 30 June 2005 RM'000	Comparative period ended 30 June 2004 RM'000
Revenue	3,165	5,931	11,367	13,871
Other Operating Income	3	21	8	22
Changes in Inventories	(63)	(1)	(8)	(5)
Staff Costs	(192)	755	(711)	271
Depreciation	(58)	(57)	(230)	(225)
Subcontract Labour Costs, Fertilizer and Chemical Costs	(375)	(355)	(2,153)	(2,026)
Foreign Exchange (Loss) / Gain	(4,494)	(1,275)	(23)	2,846
Other Operating Expenses	(333)	(340)	(1,600)	(1,575)
(Provision for)/Write back of Diminution in Value of Investment	(1,938)	645	(6,858)	8,063
<b>(Loss)/Profit from Operations</b>	<b>(4,285)</b>	<b>5,324</b>	<b>(208)</b>	<b>21,242</b>
Share of Results of Associates	1,486	1,175	6,552	7,880
<b>(Loss)/Profit before Taxation</b>	<b>(2,799)</b>	<b>6,499</b>	<b>6,344</b>	<b>29,122</b>
Taxation:				
Company	(409)	(2,173)	(1,379)	(3,191)
Associates	(12)	(217)	(199)	(217)
	(421)	(2,390)	(1,578)	(3,408)
<b>(Loss)/Profit before extraordinary item</b>	<b>(3,220)</b>	<b>4,109</b>	<b>4,766</b>	<b>25,714</b>
Extraordinary item	-	89	-	89
<b>Net (loss)/profit for the period</b>	<b>(3,220)</b>	<b>4,198</b>	<b>4,766</b>	<b>25,803</b>
<b>(Loss)/Earnings per share (sen)</b>				
Basic	(5.32)	6.94	7.88	42.66

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity  
for the year ended 30 June 2005**

(The figures have not been audited)

	← Non-Distributable →			← Cultivation and replacement reserves →			← Distributable →		Total RM'000
	Share Capital RM'000	Capital Reserve RM'000	Exchange fluctuation reserve RM'000	Share Capital Reserve RM'000	General reserve RM'000	Retained profits RM'000	General reserve RM'000	Retained profits RM'000	
<b>12 months ended 30 June 2005</b>									
At 1 July 2004	1,890	109,353	17,015	7,500	11,000	49,902	11,000	49,902	196,660
Bonus issue	58,602	(58,602)	-	-	-	-	-	-	-
Transfer (to)/ from reserves	-	(6,858)	-	-	-	6,858	-	6,858	-
Net profit for the year	-	-	-	-	-	4,766	-	4,766	4,766
Dividend	-	-	-	-	-	(1,565)	-	(1,565)	(1,565)
<b>At 30 June 2005</b>	<b>60,492</b>	<b>43,893</b>	<b>17,015</b>	<b>7,500</b>	<b>11,000</b>	<b>59,961</b>	<b>11,000</b>	<b>59,961</b>	<b>199,861</b>
<b>12 months ended 30 June 2004</b>									
At 1 July 2003	1,890	101,201	17,015	7,500	11,000	33,102	11,000	33,102	171,708
Net profit for the year	-	-	-	-	-	25,803	-	25,803	25,803
Transfer (to)/ from reserves	-	8,152	-	-	-	(8,152)	-	(8,152)	-
Dividends	-	-	-	-	-	(851)	-	(851)	(851)
<b>At 30 June 2004</b>	<b>1,890</b>	<b>109,353</b>	<b>17,015</b>	<b>7,500</b>	<b>11,000</b>	<b>49,902</b>	<b>11,000</b>	<b>49,902</b>	<b>196,660</b>

(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).

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
**(Incorporated in Malaysia)**

**Condensed Consolidated Cash Flow Statement**  
**for the year ended 30 June 2005**  
(The figures have not been audited)

	12 months ended	
	30 Jun 2005 RM'000	30 Jun 2004 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	6,344	29,122
Adjustments for :		
Depreciation	230	225
Provision for retirement benefit	30	23
Provision for retirement benefit written back	(4)	(770)
Dividend income	(2,498)	(4,921)
Share of results of associated companies	(6,552)	(7,880)
Unrealised foreign exchange gain	9	(2,865)
Interest income	(2,002)	(1,169)
Provision for/(Write back of) diminution in value of investment	6,858	(8,062)
Operating profit before working capital changes	2,415	3,703
Receivables	2,372	20
Inventories	8	4
Payables	(987)	(439)
Cash generated from operations	3,808	3,288
Retirement benefit paid	(7)	(6)
Tax refunded	-	668
Taxes paid	(865)	(1,575)
Net cash from operating activities	<u>2,936</u>	<u>2,375</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	1,994	1,820
Dividend received from associate	2,591	961
Interest received	1,824	1,136
Repayment from associate	200	200
Purchase of additional shares in associate	(2,591)	(961)
Purchase of property, plant and equipment	(9)	(131)
Proceed from compulsory land acquisition	-	89
Net cash from investing activities	<u>4,009</u>	<u>3,114</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	(1,565)	(851)
Net cash used in financing activity	<u>(1,565)</u>	<u>(851)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,380	4,638
EFFECTS OF EXCHANGE RATE CHANGES	8	2,878
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	112,453	104,936
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>117,841</u>	<u>112,452</u>

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
**(Incorporated in Malaysia)**

**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.

**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 flow during the financial year ended 30 June 2005.

**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 58,601,191 new ordinary shares of RM1 each on the basis of 31 new ordinary shares for every one existing ordinary share by way of capitalising from the capital reserves of the Company.

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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**PART A- EXPLANATORY NOTES PURSUANT TO MASB 26**

**7 Dividends Paid**

The amount of dividends paid during the financial year 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 10% less 28% taxation	136	7.2
Bonus dividend of 105% less 28% taxation	1,429	75.6
	<u>1,565</u>	<u>82.8</u>

**8. Segmental Reporting**

<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
<b>REVENUE AND EXPENSES</b>						
<b>Revenue</b>						
External	6,869	7,781	4,498	6,090	11,367	13,871
Total revenue	<u>6,869</u>	<u>7,781</u>	<u>4,498</u>	<u>6,090</u>	<u>11,367</u>	<u>13,871</u>
<b>Result</b>						
Segment result	3,945	5,173	(2,726)	13,858	1,219	19,031
Unallocated corporate expenses					(1,404)	(636)
Foreign exchange gain/(loss)	(31)	(31)	8	2,878	(23)	2,847
Profit from operations					(208)	21,242
Share of results of associates	-	-	6,552	7,880	6,552	7,880
Taxation					(1,578)	(3,408)
Profit after taxation					4,766	25,714
Extraordinary item					-	89
					<u>4,766</u>	<u>25,803</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.

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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**PART A- EXPLANATORY NOTES PURSUANT TO MASB 26**

**11. Changes in the Composition of the Group**

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

**12. Changes in Contingent Liabilities**

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)****(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 RM11.367 million for the financial year ended 30 June 2005 was lower by RM2.504 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 RM6.344 million was lower than last year's RM29.122 million, mainly due to the provision for diminution in value of investment of RM6.858 million as compared to last year's write-back of RM8.063 million and lower share of profit from associates.

**14. Comment on Material Change in Profit Before Taxation**

For the quarter under review, the Group incurred a higher pre-tax loss of RM2.8 million as compared to the immediate preceding quarter's pre-tax loss of RM598,000. The variance was due to higher unrealised exchange loss, higher provision for diminution in value of investment and lower share of profit 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. 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 31.06.2005 RM'000	Comparative Quarter 31.06.2004 RM'000	Current Period 31.06.2005 RM'000	Comparative Period 31.06.2004 RM'000
Income tax :				
Malaysian income tax	171	(62)	898	789
Foreign tax	244	784	487	973
	415	722	1,385	1,762
Under/(over) provision of Malaysian income tax in prior years	-	814	-	814
	415	1,536	1,385	2,576
Deferred taxation				
Malaysian income tax	(6)	637	(6)	615
Share of taxation of associated companies	12	217	199	217
	421	2,390	1,578	3,408



**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)****(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	Financial year-to-date RM'000
(Loss)/Profit before tax	<u>(2,799)</u>	<u>6,344</u>
Tax rate applicable for the current year at 28%	(784)	1,776
Expenses not deductible for tax purposes	602	2,144
Foreign income subjected to tax at source at lower tax rate	(100)	(195)
Effects of first RM500,000 at 20% tax rate	-	(40)
Profits in subsidiaries not subject to tax	1,107	(1,197)
Share of associated companies results at lower tax rate	(404)	(910)
Underprovision of taxation in prior years	-	-
	<u>421</u>	<u>1,578</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 and year-to-date. The decrease in the investments is mainly due to the additional provision for diminution in value of investments.

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

	RM'000
Total investment at cost	43,689
Less: Provision for diminution in value of investments	<u>(17,269)</u>
Total investment at carrying value (after provision for diminution in value)	<u>26,420</u>
Total investment at market value	<u>88,020</u>

**20. Corporate Proposals**

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)****(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 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**

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Year To Date	
	Current Quarter 31.03.2005 RM'000	Comparative Quarter 31.03.2004 RM'000	Current Period 31.03.2005 RM'000	Comparative Period 31.03.2004 RM'000
Net profit attributable to shareholders	(3,220)	4,198	4,766	25,803
Ordinary shares	60,491	60,491	60,491	60,491
Basic earnings per share (sen)	<u>(5.32)</u>	<u>6.94</u>	<u>7.88</u>	<u>42.66</u>

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