

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

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2005

	As at 31 December 2005 (Unaudited) RM'000	As at 30 June 2005 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	7,317	7,457
Investment in Associated Companies	51,998	49,858
Other Investments	23,656	26,420
Due from Associates	200	200
Deferred Tax Assets	70	70
	<u>83,241</u>	<u>84,005</u>
CURRENT ASSETS		
Inventories	154	3
Trade and other receivables	1,397	1,026
Cash and short term deposits	118,520	117,841
	<u>120,071</u>	<u>118,870</u>
CURRENT LIABILITIES		
Trade and other payables	2,535	2,668
Tax payable	79	18
	<u>2,614</u>	<u>2,686</u>
NET CURRENT ASSETS	<u>117,457</u>	<u>116,184</u>
	<u>200,698</u>	<u>200,189</u>
FINANCED BY:		
Share Capital	60,492	60,492
Reserves	139,863	139,369
Shareholders' equity	<u>200,355</u>	<u>199,861</u>
Provision for retirement benefits	343	328
	<u>200,698</u>	<u>200,189</u>

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

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

Condensed Consolidated Income Statement
for the period ended 31 December 2005
(The figures have not been audited)

	Individual Quarter		Year to Date	
	Current quarter ended 31 December 2005 RM'000	Comparative quarter ended 31 December 2004 RM'000	Current period ended 31 December 2005 RM'000	Comparative period ended 31 December 2004 RM'000
Revenue	3,229	3,257	6,144	6,226
Other Operating Income	1	2	1	5
Changes in Inventories	99	(18)	151	67
Staff Costs	(189)	(200)	(384)	(486)
Depreciation	(54)	(58)	(107)	(115)
Subcontract Labour Costs, Fertilizer and Chemical Costs	(477)	(654)	(1,242)	(1,220)
Foreign Exchange (Loss)/Gain	(12)	6,209	(475)	7,503
Other Operating Expenses	(429)	(361)	(829)	(850)
Provision for Diminution in Value of Investment	(1,477)	(607)	(2,764)	(3,675)
Profit from Operations	691	7,570	495	7,455
Share of Results of Associates	925	1,050	2,214	2,286
Profit before Taxation	1,616	8,620	2,709	9,741
Taxation:				
Company	(480)	(437)	(771)	(791)
Associates	(5)	(26)	(73)	(116)
	(485)	(463)	(844)	(907)
Net profit for the period	1,131	8,157	1,865	8,834
Earnings per share (sen)				
Basic	1.87	13.48	3.08	14.60

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

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

**Condensed Consolidated Statement of Changes in Equity
for the period ended 31 December 2005**

(The figures have not been audited)

	← Non-Distributable →			← Distributable →			Total RM'000
	Share Capital RM'000	Capital Reserve RM'000	Exchange fluctuation reserve RM'000	Cultivation and replacement reserves RM'000	General reserve RM'000	Retained profits RM'000	
6 months ended 31 December 2005							
At 1 July 2005	60,492	43,893	17,015	7,500	11,000	59,961	199,861
Arising during the period	-	-	(500)	-	-	-	(500)
Net profit for the period	-	-	-	-	-	1,865	1,865
Transfer (to)/ from reserves	-	(2,764)	-	-	-	2,764	-
Dividend	-	-	-	-	-	(871)	(871)
At 31 December 2005	60,492	41,129	16,515	7,500	11,000	63,719	200,355
6 months ended 31 December 2004							
At 1 July 2004	1,890	109,353	17,015	7,500	11,000	49,902	196,660
Net profit for the period	-	-	-	-	-	8,834	8,834
Transfer (to)/ from reserves	-	3,675	-	-	-	(3,675)	-
At 31 December 2004	1,890	113,028	17,015	7,500	11,000	55,061	205,494

(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).

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

Condensed Consolidated Cash Flow Statement
for the period ended 31 December 2005

(The figures have not been audited)

	6 months ended	
	31 December 2005 RM'000	31 December 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,709	9,741
Adjustments for :		
Depreciation	107	115
Provision for retirement benefit	15	5
Dividend income	(1,209)	(1,225)
Share of results of associated companies	(2,214)	(2,286)
Unrealised foreign exchange loss/(gain)	476	(7,503)
Interest income	(1,323)	(839)
Provision for diminution in value of investment	2,764	3,675
Operating profit before working capital changes	1,325	1,683
Receivables	(250)	1,557
Inventories	(151)	(67)
Payables	730	(43)
Cash generated from operations	1,654	3,130
Retirement benefit paid	(862)	(2)
Taxes paid	(470)	(709)
Net cash from operating activities	322	2,419
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	968	1,129
Dividend received from associate	2,536	2,592
Interest received	1,201	586
Purchase of additional shares in associate	(2,536)	(2,591)
Purchase of property, plant and equipment	(2)	(9)
Net cash from investing activities	2,167	1,707
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(871)	-
Net cash used in financing activities	(871)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,618	4,126
EFFECTS OF EXCHANGE RATE CHANGES	(939)	7,502
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	117,841	112,453
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	118,520	124,081

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

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

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 flow during the financial period ended 31 December 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 6 months to-date.

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

PART A- EXPLANATORY NOTES PURSUANT TO FRS 134

7 Dividends Paid

The amount of dividends paid during the financial period ended 31 December 2005 were as follows:

In respect of the 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 2% less 28% taxation	<u>871</u>	<u>1.4</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
REVENUE AND EXPENSES						
Revenue						
External	3,612	4,162	2,532	2,064	6,144	6,226
Total revenue	<u>3,612</u>	<u>4,162</u>	<u>2,532</u>	<u>2,064</u>	<u>6,144</u>	<u>6,226</u>
Result						
Segment result	2,046	2,454	(410)	(1,807)	1,636	647
Unallocated corporate expenses					(666)	(694)
Foreign exchange gain/(loss)	1	-	(476)	7,502	(475)	7,502
Profit from operations					495	7,455
Share of results of associates	-	-	2,214	2,286	2,214	2,286
Taxation					(844)	(907)
Profit after taxation					<u>1,865</u>	<u>8,834</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. 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 RM6.144 million for the 6-month period ended 31 December 2005 was lower by RM74,000 as compared to that of prior corresponding 6-month period ended 31 December 2004. This was due to lower sales offset by higher dividend and interest income. Profit before taxation of RM2.709 million was significantly lower than the RM9.741 million achieved during the 6-month period ended 31 December 2004 although provision for diminution in value of investment was lower. This was due to unrealised exchange loss of RM475,000 incurred for the current period as compared to the unrealised exchange gain of RM7.503 million attained for the prior corresponding period and slightly lower share of profit of associates.

14. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group's pre-tax profit of RM1.623 million was higher than the immediate preceding quarter's RM1.093 million despite lower share of profit of associates and higher provision for diminution in value of investment. The better result was due to higher sales, dividend and interest income, lower operating expenses and unrealised exchange loss.

15. Commentary on Prospects

The plantation contribution is not expected to improve for the rest of the financial year due to lower production expected from older palms and replanting. 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 31.12.2005 RM'000	Comparative Quarter 31.12.2004 RM'000	Current Period 31.12.2005 RM'000	Comparative Period 31.12.2004 RM'000
Income tax :				
Malaysian income tax	299	288	497	548
Foreign tax	126	149	219	243
	<hr/>	<hr/>	<hr/>	<hr/>
	425	437	716	791
Under provision of Malaysian income tax in prior years	55	-	55	-
	<hr/>	<hr/>	<hr/>	<hr/>
	480	437	771	791
Share of taxation of associated companies	5	26	73	116
	<hr/>	<hr/>	<hr/>	<hr/>
	485	463	844	907

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
Profit before tax	1,616	2,709
Tax rate applicable for the current year at 28%	452	759
Expenses not deductible for tax purposes	443	817
Foreign income subjected to tax at source at lower tax rate	(65)	(102)
Profits in subsidiaries not subject to tax	(835)	(888)
Share of associated companies results at lower tax rate	435	203
Underprovision of taxation in prior years	55	55
	485	844

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 6 months to-date. The decrease in other 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 31 December 2005:

	RM'000
Total investment at cost	43,690
Less: Provision for diminution in value of investments	(20,034)
Total investment at carrying value (after provision for diminution in value)	23,656
Total investment at market value	86,938

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 31 December 2005.

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****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 December 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 31.12.2005 RM'000	Comparative Quarter 31.12.2004 RM'000	Current Period 31.12.2005 RM'000	Comparative Period 31.12.2004 RM'000
Net profit attributable to shareholders	1,131	8,157	1,865	8,834
Ordinary shares	60,492	60,492	60,492	60,492
Basic earnings per share (sen)	<u>1.87</u>	<u>13.48</u>	<u>3.08</u>	<u>14.60</u>

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