

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

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2006

	As at 31 March 2006 (Unaudited) RM'000	As at 30 June 2005 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	7,120	7,457
Investment in Associated Companies	52,888	49,858
Other Investments	26,597	26,420
Due from Associates	200	200
Deferred Tax Assets	70	70
	<u>86,875</u>	<u>84,005</u>
CURRENT ASSETS		
Inventories	22	3
Tax recoverable	52	-
Trade and other receivables	1,034	1,026
Cash and short term deposits	116,072	117,841
	<u>117,180</u>	<u>118,870</u>
CURRENT LIABILITIES		
Trade and other payables	2,756	2,668
Tax payable	-	18
	<u>2,756</u>	<u>2,686</u>
NET CURRENT ASSETS	<u>114,424</u>	<u>116,184</u>
	<u><u>201,299</u></u>	<u><u>200,189</u></u>
FINANCED BY:		
Share Capital	60,492	60,492
Reserves	140,457	139,369
Shareholders' equity	<u>200,949</u>	<u>199,861</u>
Provision for retirement benefits	350	328
	<u><u>201,299</u></u>	<u><u>200,189</u></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 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	1,947	1,976	8,091	8,202
Other Operating Income	-	-	1	5
Changes in Inventories	(132)	(12)	19	55
Staff Costs	(179)	(33)	(563)	(519)
Depreciation	(52)	(57)	(159)	(172)
Subcontract Labour Costs, Fertilizer and Chemical Costs	(513)	(558)	(1,755)	(1,778)
Foreign Exchange Gain/(Loss)	1,555	(3,032)	1,080	4,471
Other Operating Expenses	(179)	(417)	(1,008)	(1,267)
Provision for Diminution in Value of Investment	(484)	(1,245)	(3,248)	(4,920)
Profit/(Loss) from Operations	1,963	(3,378)	2,458	4,077
Share of Results of Associates	935	2,780	3,149	5,066
Profit/(Loss) before Taxation	2,898	(598)	5,607	9,143
Taxation:				
Company	(99)	(179)	(870)	(970)
Associates	(46)	(71)	(119)	(187)
	(145)	(250)	(989)	(1,157)
Profit/(Loss) before extraordinary item	2,753	(848)	4,618	7,986
Extraordinary item	-	-	-	-
Net profit/(loss) for the period	2,753	(848)	4,618	7,986
Earnings/(Loss) per share (sen)				
Basic	4.55	(1.40)	7.63	13.20

(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 March 2006**

(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	Cultivation and replacement reserves RM'000	General reserve RM'000	Retained profits RM'000	
9 months ended 31 March 2006							
At 1 July 2005	60,492	43,893	17,015	7,500	11,000	59,961	199,861
Arising during the period	-	-	(2,659)	-	-	-	(2,659)
Net profit for the period	-	-	-	-	-	4,618	4,618
Transfer (to)/ from reserves	-	(3,248)	-	-	-	3,248	-
Dividend	-	-	-	-	-	(871)	(871)
At 31 March 2006	60,492	40,645	14,356	7,500	11,000	66,956	200,949
9 months ended 31 March 2005							
At 1 July 2004	1,890	109,353	17,015	7,500	11,000	49,902	196,660
Net profit for the period	-	-	-	-	-	7,986	7,986
Transfer (to)/ from reserves	-	(4,920)	-	-	-	4,920	-
Dividend	-	-	-	-	-	(1,565)	(1,565)
At 31 March 2005	1,890	104,433	17,015	7,500	11,000	61,243	203,081

(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 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	5,607	9,143
Adjustments for :		
Depreciation	159	172
Provision for retirement benefit	22	14
Dividend income	(1,211)	(1,284)
Share of results of associated companies	(3,149)	(5,066)
Unrealised foreign exchange loss/(gain)	(1,079)	(4,475)
Interest income	(2,123)	(1,405)
Provision for diminution in value of investment	3,248	4,920
Operating profit before working capital changes	1,474	2,019
Receivables	5	2,115
Inventories	(19)	(55)
Payables	951	(260)
Cash generated from operations	2,411	3,819
Retirement benefit paid	(862)	(7)
Taxes paid	(700)	(719)
Net cash from operating activities	<u>849</u>	<u>3,093</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	970	1,025
Dividend received from associate	2,536	2,592
Interest received	2,112	1,240
Repayment from associate	-	200
Purchase of other investments	(3,426)	-
Purchase of additional shares in associate	(2,536)	(2,592)
Purchase of property, plant and equipment	(2)	(9)
Net cash (used in)/from investing activities	<u>(346)</u>	<u>2,456</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(871)	(1,565)
Net cash used in financing activities	<u>(871)</u>	<u>(1,565)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(368)	3,984
EFFECTS OF EXCHANGE RATE CHANGES	(1,401)	4,475
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	117,841	112,453
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>116,072</u>	<u>120,912</u>

(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 year ended 31 March 2006.

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.

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 2% less 28% taxation	<u>871</u>	<u>1.4</u>

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

PART A- EXPLANATORY NOTES PURSUANT TO FRS 134

8. Segmental Reporting

<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	4,756	5,513	3,335	2,689	8,091	8,202
Total revenue	<u>4,756</u>	<u>5,513</u>	<u>3,335</u>	<u>2,689</u>	<u>8,091</u>	<u>8,202</u>
Result						
Segment result	2,494	3,194	(169)	(2,504)	2,325	690
Unallocated corporate expenses					(947)	(1,088)
Foreign exchange gain/(loss)	(740)	-	1,820	4,475	1,080	4,475
Loss from operations					2,458	4,077
Share of results of associates	-	-	3,149	5,066	3,149	5,066
Taxation					(989)	(1,157)
Profit after taxation					4,618	7,986
Extraordinary item					-	-
					<u>4,618</u>	<u>7,986</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 except the Company received a letter dated 24 April 2006 from the Land Office of Machang proposing the acquisition of 15.6373 hectare of land.

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 RM8.091 million for the current period ended 31 March 2006 was lower by RM111,000 as compared to that of prior corresponding 9-month period ended 31 March 2005. This was due to lower sales and dividend income partially offset by higher interest income. Profit before taxation of RM5.607 million was significantly lower than the RM9.143 million achieved during the 9-month period ended 31 March 2005 despite lower provision for diminution in value of investment. This was due to lower unrealised exchange gain and 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 RM2.898 million was higher than the immediate preceding quarter's RM1.616 million despite lower revenue. The better result was due to lower operating expenses, lower provision for diminution in value of investment and slightly higher share of profit of associates. Unrealised exchange gain of RM1.555 million was attained as compared to the unrealised exchange loss of RM12,000 incurred during the immediate preceding quarter.

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 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 31.03.2006 RM'000	Comparative Quarter 31.03.2005 RM'000	Current Period 31.03.2006 RM'000	Comparative Period 31.03.2005 RM'000
Income tax :				
Malaysian income tax	99	179	596	727
Foreign tax	-	-	219	243
	<hr/>	<hr/>	<hr/>	<hr/>
	99	179	815	970
Under/(over) provision of Malaysian income tax in prior years	-	-	55	-
	<hr/>	<hr/>	<hr/>	<hr/>
	99	179	870	970
Deferred taxation	-	-	-	-
Share of taxation of associated companies	46	71	119	187
	<hr/>	<hr/>	<hr/>	<hr/>
	145	250	989	1,157

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	2,898	5,607
Tax rate applicable for the current year at 28%	811	1,570
Expenses not deductible for tax purposes	368	1,185
Foreign income subjected to tax at source at lower tax rate	4	(98)
Profits in subsidiaries not subject to tax	(782)	(1,670)
Share of associated companies results at lower tax rate	(256)	(53)
Underprovision of taxation in prior years	-	55
	145	989

18. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties

19. Quoted Securities

- (a) There was purchase of quoted securities amounting to RM3.425 million for the current quarter and 9 months to-date. This increase in other investments was partially offset by the additional provision for diminution in value of investments.
- (b) Summary of details of all investments in quoted securities as at 31 March 2006:

	RM'000
Total investment at cost	47,115
Less: Provision for diminution in value of investments	(20,518)
Total investment at carrying value (after provision for diminution in value)	26,597
Total investment at market value	88,460

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 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

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 31.03.2006 RM'000	Comparative Quarter 31.3.2005 RM'000	Current Period 31.03.2006 RM'000	Comparative Period 31.3.2005 RM'000
Net profit attributable to shareholders	2,753	(848)	4,618	7,986
Ordinary shares	60,492	60,492	60,492	60,492
Basic earnings/(loss) per share (sen)	4.55	(1.40)	7.63	13.20

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