

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

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2006

	As at 30 June 2006 (Unaudited) RM'000	As at 30 June 2005 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	7,051	7,457
Investment in Associated Companies	56,114	49,858
Other Investments	26,207	26,420
Due from Associates	-	200
Deferred Tax Assets	135	70
	<u>89,507</u>	<u>84,005</u>
CURRENT ASSETS		
Inventories	35	3
Tax recoverable	103	-
Trade and other receivables	1,116	1,026
Cash and short term deposits	121,120	117,841
	<u>122,374</u>	<u>118,870</u>
CURRENT LIABILITIES		
Trade and other payables	2,813	2,668
Tax payable	-	18
	<u>2,813</u>	<u>2,686</u>
NET CURRENT ASSETS	<u>119,561</u>	<u>116,184</u>
	<u>209,068</u>	<u>200,189</u>
FINANCED BY:		
Share Capital	60,492	60,492
Reserves	148,224	139,369
Shareholders' equity	<u>208,716</u>	<u>199,861</u>
Provision for retirement benefits	352	328
	<u>209,068</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 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	3,625	3,165	11,716	11,367
Other Operating Income	-	3	1	8
Changes in Inventories	12	(63)	31	(8)
Staff Costs	(388)	(192)	(951)	(711)
Depreciation	(52)	(58)	(211)	(230)
Subcontract Labour Costs, Fertilizer and Chemical Costs	(495)	(375)	(2,250)	(2,153)
Foreign Exchange Gain/(Loss)	3,060	(4,494)	4,140	(23)
Other Operating Expenses	(242)	(333)	(1,250)	(1,600)
Provision for Diminution in Value of Investment	(391)	(1,938)	(3,639)	(6,858)
Profit/(Loss) from Operations	5,129	(4,285)	7,587	(208)
Share of Results of Associates	3,212	1,486	6,361	6,552
Profit/(Loss) before Taxation	8,341	(2,799)	13,948	6,344
Taxation:				
Company	(284)	(409)	(1,154)	(1,379)
Associates	14	(12)	(105)	(199)
	(270)	(421)	(1,259)	(1,578)
Net profit/(loss) for the period	8,071	(3,220)	12,689	4,766
Earnings/(Loss) per share (sen)				
Basic	13.34	(5.32)	20.98	7.88

(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 year ended 30 June 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	Capital Reserve RM'000	General reserve RM'000	Retained profits RM'000	General reserve RM'000	Retained profits RM'000	
12 months ended 30 June 2006									
At 1 July 2005	60,492	43,894	17,015	7,500	11,000	59,960			199,861
Arising during the period	-	-	(2,963)	-	-	-			(2,963)
Net profit for the period	-	-	-	-	-	12,689			12,689
Transfer (to)/ from reserves	-	(3,639)	-	(135)	-	3,774			-
Dividend	-	-	-	-	-	(871)			(871)
At 30 June 2006	60,492	40,255	14,052	7,365	11,000	75,552			208,716
12 months ended 30 June 2005									
At 1 July 2004	1,890	109,353	17,015	7,500	11,000	49,902			196,660
Bonus issue	58,602	(58,602)	-	-	-	-			-
Net profit for the year	-	-	-	-	-	4,766			4,766
Transfer (to)/ from reserves	-	(6,857)	-	-	-	6,857			-
Dividend	-	-	-	-	-	(1,565)			(1,565)
At 30 June 2005	60,492	43,894	17,015	7,500	11,000	59,960			199,861

(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 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	13,948	6,344
Adjustments for :		
Depreciation	211	230
Provision for retirement benefit	224	26
Dividend income	(3,005)	(2,498)
Share of results of associated companies	(6,361)	(6,552)
Unrealised foreign exchange loss/(gain)	(4,144)	9
Interest income	(3,001)	(2,002)
Provision for diminution in value of investment	3,639	6,858
Operating profit before working capital changes	1,511	2,415
Receivables	(769)	2,372
Inventories	(32)	8
Payables	(75)	(124)
Cash generated from operations	635	4,671
Retirement benefit paid	-	(869)
Taxes paid	(785)	(865)
Net cash from operating activities	<u>(150)</u>	<u>2,937</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	2,415	1,994
Dividend received from associate	2,536	2,592
Interest received	2,903	1,823
Repayment from associate	200	200
Purchase of other investments	(3,426)	-
Purchase of additional shares in associate	(2,536)	(2,592)
Purchase of property, plant and equipment	(1)	(9)
Net cash (used in)/from investing activities	<u>2,091</u>	<u>4,008</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	1,070	5,380
EFFECTS OF EXCHANGE RATE CHANGES	2,209	8
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	117,841	112,453
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>121,120</u>	<u>117,841</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 30 June 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 year.

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 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	5,711	6,869	6,005	4,498	11,716	11,367
Total revenue	<u>5,711</u>	<u>6,869</u>	<u>6,005</u>	<u>4,498</u>	<u>11,716</u>	<u>11,367</u>
Result						
Segment result	2,772	3,945	2,092	(2,726)	4,864	1,219
Unallocated corporate expenses					(1,417)	(1,404)
Foreign exchange gain/(loss)	(829)	(31)	4,969	8	4,140	(23)
Loss from operations					<u>7,587</u>	<u>(208)</u>
Share of results of associates	-	-	6,361	6,552	6,361	6,552
Taxation					(1,259)	(1,578)
Profit after taxation					<u>12,689</u>	<u>4,766</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 RM11.716 million for the current year ended 30 June 2006 was higher by RM349,000 as compared to that of prior year ended 30 June 2005. This was due to higher dividend and interest income partially offset by lower sales. Profit before taxation of RM13.948 million was significantly higher than the RM6.344 million achieved during prior year due to unrealised exchange gain and lower provision for diminution in value of investment. Share of profit of associates was slightly lower.

14. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group's pre-tax profit of RM8.341 million was significantly higher than the immediate preceding quarter's RM2.898 million. The better result was due to higher dividend and interest income, higher share of profit of associates, higher unrealised exchange gain and lower provision for diminution in value of investment.

15. Commentary on Prospects

The plantation contribution is not expected to improve for the new 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 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
Income tax :				
Malaysian income tax	48	171	644	898
Foreign tax	301	244	520	487
	<hr/>	<hr/>	<hr/>	<hr/>
	349	415	1,164	1,385
Under/(over) provision of Malaysian income tax in prior years	-	-	55	-
	<hr/>	<hr/>	<hr/>	<hr/>
	349	415	1,219	1,385
Deferred taxation	(65)	(6)	(65)	(6)
Share of taxation of associated companies	(14)	12	105	199
	<hr/>	<hr/>	<hr/>	<hr/>
	270	421	1,259	1,578
	<hr/>	<hr/>	<hr/>	<hr/>

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	8,341	13,948
Tax rate applicable for the current year at 28%	2,335	3,905
Expenses not deductible for tax purposes	139	1,324
Foreign income subjected to tax at source at lower tax rate	(188)	(286)
Profits in subsidiaries not subject to tax	(1,099)	(2,769)
Share of associated companies results at lower tax rate	(912)	(965)
Underprovision of taxation in prior years	(5)	50
	270	1,259

18. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties

19. Quoted Securities

(a) There was no purchase of quoted securities for the current quarter while RM3.425 million was purchased during the immediate preceding quarter ended 31 March 2006. 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 30 June 2006:

	RM'000
Total investment at cost	47,115
Less: Provision for diminution in value of investments	(20,908)
Total investment at carrying value (after provision for diminution in value)	26,207
Total investment at market value	95,007

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 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

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 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
Net profit attributable to shareholders	8,071	(3,220)	12,689	4,766
Ordinary shares	60,492	60,492	60,492	60,492
Basic earnings/(loss) per share (sen)	13.34	(5.32)	20.98	7.88