

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

**Condensed Consolidated Income Statement**

**For the Period Ended 31 December 2009**

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 6 months ended	
		31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
<b>Revenue</b>	3	2,881	3,037	4,682	6,996
Other Income		-	1	3	1
Changes in Inventories		248	132	433	505
Staff Costs		(109)	(267)	(328)	(469)
Depreciation		(6)	(4)	(12)	(8)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(884)	(266)	(1,539)	(1,233)
Foreign Exchange Gain / (Loss)		(633)	(1,215)	1,863	(6,717)
Other Expenses		(596)	(1,120)	(1,146)	(1,902)
<b>Profit / (Loss) from Operations</b>	3	901	298	3,956	(2,827)
Share of Profit / (Loss) of Associates		933	(1,842)	1,741	740
<b>Profit / (Loss) before Taxation</b>		1,834	(1,544)	5,697	(2,087)
Income tax expense	17	(229)	(107)	(322)	(477)
<b>Profit / (Loss) for the Period</b>		1,605	(1,651)	5,375	(2,564)
<b>Earnings / (Loss) per share attributable to equity holders:</b>					
Basic (Sen)	25(a)	2.65	(2.73)	8.89	(4.24)
Diluted (Sen)	25(b)	2.65	(2.73)	8.89	(4.24)

The condensed consolidated income statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**Condensed Consolidated Balance Sheet  
As at 31 December 2009**

		(Unaudited)	(Audited)
	Note	As at 31.12.09 RM'000	As at 30.6.2009 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,514	1,524
Investment property		20,007	20,602
Investment in associates		80,118	63,415
Available-for-sale investments	19	89,929	74,023
Deferred tax asset		28	28
		<u>191,596</u>	<u>159,592</u>
<b>Current assets</b>			
Inventories		509	77
Trade and other receivables		1,289	644
Cash and bank balances		142,673	143,586
Tax recoverable		884	845
		<u>145,355</u>	<u>145,152</u>
<b>TOTAL ASSETS</b>		<u>336,951</u>	<u>304,744</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders to the Company</b>			
Share capital		60,492	60,492
Reserves		270,245	238,104
		<u>330,737</u>	<u>298,596</u>
<b>Non-current liabilities</b>			
Provision for retirement benefits		198	189
Deferred tax liability		4,154	4,277
		<u>4,352</u>	<u>4,466</u>
<b>Current liabilities</b>			
Trade and other payables		1,862	1,682
<b>Total liabilities</b>		<u>6,214</u>	<u>6,148</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>336,951</u>	<u>304,744</u>

The condensed consolidated balance sheet should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity  
For the Period Ended 31 December 2009**

(The figures have not been audited)

	← Non-Distributable →				← Distributable →			Total Equity RM'000
	Share Capital RM'000	Capital Reserves RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Cultivation and Replacement Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	
<b>At 1 July 2009</b>	60,492	46,094	44,285	9,090	6,469	11,000	121,166	298,596
Share of associated companies' reserves	-	16,357	-	-	-	-	-	16,357
Foreign currency translation	-	-	-	(4,688)	-	-	-	(4,688)
Fair value gain - Available-for-sale investments	-	-	16,004	-	-	-	-	16,004
Net income/(expense) recognised directly in equity	-	16,357	16,004	(4,688)	-	-	-	27,673
Profit for the period	-	-	-	-	-	-	5,375	5,375
Total recognised income and expense for the period	-	16,357	16,004	(4,688)	-	-	5,375	33,048
Dividend paid	-	-	-	-	-	-	(907)	(907)
<b>At 31 December 2009</b>	60,492	62,451	60,289	4,402	6,469	11,000	125,634	330,737

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity (Cont'd)**

**For the Period Ended 31 December 2009**

(The figures have not been audited)

	← Non-Distributable →				← Distributable →			
	Share Capital RM'000	Capital Reserves RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Cultivation and Replacement Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>At 1 July 2008</b>	60,492	54,475	78,426	(3,881)	6,997	11,000	136,082	343,591
Share of associated companies' reserves	-	(23,725)	-	-	-	-	-	(23,725)
Foreign currency translation	-	-	-	10,621	-	-	-	10,621
Fair value loss								
- Available-for-sale investments	-	-	(42,958)	-	-	-	-	(42,958)
Net (expense) / income recognised								
directly in equity	-	(23,725)	(42,958)	10,621	-	-	-	(56,062)
Loss for the period	-	-	-	-	-	-	(2,564)	(2,564)
Total recognised income and expense for the period	-	(23,725)	(42,958)	10,621	-	-	(2,564)	(58,626)
Dividends paid	-	-	-	-	-	-	(2,041)	(2,041)
<b>At 31 December 2008</b>	60,492	30,750	35,468	6,740	6,997	11,000	131,477	282,924

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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

**Condensed Consolidated Cash Flow Statement**  
**For the Period Ended 31 December 2009**  
(The figures have not been audited)

	<b>3 months ended</b>	
	<b>31.12.09</b>	<b>31.12.08</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from / (used in) operating activities	101	(1,172)
Net cash generated from investing activities	754	2,598
Net cash used in financing activities	(907)	(2,041)
Net decrease in cash and cash equivalents	<u>(52)</u>	<u>(615)</u>
Effects of exchange rate changes	(861)	(837)
Cash and cash equivalents at beginning of financial period	<u>143,586</u>	<u>141,963</u>
Cash and cash equivalents at end of financial period	<u>142,673</u>	<u>140,511</u>

Cash and cash equivalents at the end of the financial period comprise the following :

	<b>As at</b>	<b>As at</b>
	<b>31.12.09</b>	<b>31.12.08</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>142,673</u>	<u>140,511</u>

The condensed consolidated cash flow statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**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 have been prepared on a historical cost basis, except for freehold land included within property, plant and equipment, investment properties and available-for-sale investments that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2009. 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 year ended 30 June 2009.

Except as described below, the significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2009.

Change in accounting policy - FRS 8: Operating Segments

FRS 8 sets out the requirements for disclosure of information on an entity's operating segment, products and services, the geographical areas in which it operates and its customers. The adoption of this Standard does not result in significant change in the Group's accounting policies and only impact the form and content of disclosures presented in the financial statements.

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 30 June 2009 was not qualified.

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

**Part A - Explanatory Notes Pursuant to FRS 134**

**3. Segmental Information**

	<b>6 months ended</b>	
	<b>31.12.09</b>	<b>31.12.08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	3,262	4,233
Investment	1,420	2,763
Total	<u>4,682</u>	<u>6,996</u>
<b>Segment results</b>		
Plantation	1,305	2,007
Investment	3,205	(4,030)
	<u>4,510</u>	<u>(2,023)</u>
Unallocated corporate expenses	(554)	(804)
Profit / (Loss) from operations	<u>3,956</u>	<u>(2,827)</u>
<b>Segment assets</b>		
Plantation	31,800	30,398
Investment	305,123	260,883
	<u>336,923</u>	<u>291,281</u>
Unallocated corporate expenses	28	135
Total assets	<u>336,951</u>	<u>291,416</u>

**4. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2009.

**5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter and year-to-date results.

**6. 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.

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

**Part A - Explanatory Notes Pursuant to FRS 134**

**7. Dividend Paid**

The amount of dividends paid during the financial period ended 31 December 2009 were as follows:

In respect of the financial year ended 30 June 2009, as reported in the directors' report of that year:

	Amount RM'000	Net Dividend per share (Sen)
First and final dividend of 2% less 25% taxation	<u>907</u>	<u>1.5</u>

**8. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and 6 months to-date.

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

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

**10. Capital Commitments**

There are no commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2009.

**11. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 December 2009.

**12. Subsequent Events**

There were no material events subsequent to the end of the current quarter.

**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 Securities Berhad**

**13. Performance Review**

The Group's revenue for the current quarter of RM2.88 million and RM4.68 million for the period ended 31 December 2009 were lower as compared to the corresponding quarter and period ended 31 December 2008. Crop sales were lower mainly due to lower tonnage harvested. Dividend and interest income were also lower.

The Group achieved after-tax profit of RM1.61 million and RM5.38 million for the current quarter and period-to-date respectively as compared to the after-tax losses of RM1.65 million and RM2.56 million suffered during the corresponding quarter and period ended 31 December 2008 respectively. This was due to current quarter's lower unrealised foreign exchange loss of RM633,000 as compared to the unrealised foreign exchange loss of RM1.22 million suffered for the quarter ended 31 December 2008. For the current period-to-date, the unrealised exchange difference was a gain of RM1.86 million as compared to the unrealised exchange loss of RM6.72 million suffered for the period ended 31 December 2008.

Share of associates' financial results was a profit of RM933,000 for the current quarter as compared to previous year's corresponding quarter's loss of RM1.84 million. For period-to-date, the Group's share of associates' profit of RM1.74 million was higher than last year's corresponding period-to-date's RM740,000.

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

For the quarter under review, the Group's revenue of RM2.88 million was higher than the immediate preceding quarter's RM1.80 million. This was due to higher crop sales on account of higher tonnage harvested and higher CPO prices. Dividend income was also higher.

However, the pre-tax profit of RM1.83 million achieved for the current quarter was lower than the immediate preceding quarter's pre-tax profit of RM3.86 million despite higher share of associates' profit. This was mainly due to the unrealised exchange loss of RM633,000 suffered for the current quarter as compared to the immediate preceding quarter's unrealised exchange gain of RM2.50 million.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**15. Commentary on Prospects**

The prospect of the plantation performance for the rest of the financial year ending 30 June 2010 is not expected to improve significantly. Production is expected to increase while the CPO prices may remain stable.

The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations due to the jittery capital markets and global economic slowdown.

**16. Profit Forecast or Profit Guarantee**

There is no profit forecast and profit guarantee.

**17. Income Tax Expense**

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31.12.09</b>	<b>31.12.08</b>	<b>31.12.09</b>	<b>31.12.08</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	<u>229</u>	<u>107</u>	<u>322</u>	<u>477</u>
Total income tax expense	<u>229</u>	<u>107</u>	<u>322</u>	<u>477</u>

The effective tax rates for the current quarter and period-to-date were lower than the statutory tax rates due to certain income not subject to tax while the effective tax rates for prior year's corresponding quarter and period-to-date were higher as certain expenses were not deductible for tax purposes.

**18. Sale of Unquoted Investments and Properties**

There were no sales of unquoted investments and properties.

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**19. Quoted Securities**

There was no purchase or disposal of quoted securities for the current quarter.

Details of investments in quoted securities classified as available-for-sale financial assets:

	<b>As at 31.12.09 RM'000</b>
At cost	29,659
At carrying value	89,929
At market value	<u>89,929</u>

**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**

There were no borrowings and debt securities as at 31 Decembe 2009.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 19 February 2010.

**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 2009.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**25. Earnings Per Share**

**(a) Basic**

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period.

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31.12.09</b>	<b>31.12.08</b>	<b>31.12.09</b>	<b>31.12.08</b>
Profit/(Loss) attributable to ordinary equity holders (RM'000)	<u>1,605</u>	<u>(1,651)</u>	<u>5,375</u>	<u>(2,564)</u>
Weighted average number of ordinary shares in issue	<u>60,492</u>	<u>60,492</u>	<u>60,492</u>	<u>60,492</u>
Basic earnings/(loss) per share (Sen)	<u>2.65</u>	<u>(2.73)</u>	<u>8.89</u>	<u>(4.24)</u>

**(b) Diluted**

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there is no dilutive potential ordinary shares outstanding as at 31 December 2009.

**26. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 February 2010.