

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

**Condensed Consolidated Income Statement**

**For the Year Ended 30 June 2010**

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 12 months ended	
		30.06.10 RM'000	30.06.09 RM'000	30.06.10 RM'000	30.06.09 RM'000
<b>Revenue</b>	3	3,302	2,228	10,026	10,883
Other Income		64	86	67	95
Changes in Inventories		(303)	(284)	101	26
Staff Costs		(183)	(206)	(731)	(953)
Depreciation		(6)	(9)	(23)	(35)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(725)	(1,214)	(3,048)	(3,674)
Foreign Exchange (Loss) / Gain		(2,886)	4,299	(4,469)	(6,827)
Other Expenses		(99)	(85)	(1,613)	(1,661)
Fair Value gain / (loss) - Investment property		3,149	(9,373)	3,149	(9,373)
<b>Profit / (Loss) from Operations</b>	3	2,313	(4,558)	3,459	(11,519)
Share of Profit / (Loss) of Associates		6,383	(4,273)	10,656	(3,990)
<b>Profit / (Loss) before Taxation</b>		8,696	(8,831)	14,115	(15,509)
Income tax (expense) / credit	17	(963)	2,655	(1,460)	2,106
<b>Profit / (Loss) for the Year</b>		7,733	(6,176)	12,655	(13,403)
<b>Earnings / (Loss) per share attributable to equity holders:</b>					
Basic (Sen)	25(a)	12.78	(10.21)	20.92	(22.16)
Diluted (Sen)	25(b)	12.78	(10.21)	20.92	(22.16)

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 30 June 2010**

	Note	(Unaudited) As at 30.06.10 RM'000	(Audited) As at 30.6.2009 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		953	975
Biological assets		549	549
Investment property		22,139	20,602
Investment in associates		89,571	63,415
Available-for-sale investments	19	103,630	74,023
Deferred tax asset		28	28
		<u>216,870</u>	<u>159,592</u>
<b>Current assets</b>			
Inventories		178	77
Trade and other receivables	4	13,527	644
Tax recoverable		853	845
Cash and bank balances		122,304	143,586
		<u>136,862</u>	<u>145,152</u>
<b>TOTAL ASSETS</b>		<u>353,732</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		286,818	238,104
		<u>347,310</u>	<u>298,596</u>
<b>Non-current liabilities</b>			
Provision for retirement benefits		179	189
Deferred tax liability		4,819	4,277
		<u>4,998</u>	<u>4,466</u>
<b>Current liabilities</b>			
Trade and other payables		1,424	1,682
<b>Total liabilities</b>		<u>6,422</u>	<u>6,148</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>353,732</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 Cash Flow Statement**

**For the Year Ended 30 June 2010**

(The figures have not been audited)

	<b>12 months ended</b>	
	<b>30.06.10</b>	<b>30.06.09</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash used in operating activities	(15,061)	(1,362)
Net cash generated from investing activities	3,546	4,276
Net cash used in financing activities	(907)	(2,042)
Net (decrease) / increase in cash and cash equivalents	<u>(12,422)</u>	<u>872</u>
Effects of exchange rate changes	(8,860)	751
Cash and cash equivalents at beginning of financial year	<u>143,586</u>	<u>141,963</u>
Cash and cash equivalents at end of financial year	<u>122,304</u>	<u>143,586</u>

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

	<b>As at</b>	<b>As at</b>
	<b>30.06.10</b>	<b>30.06.09</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>122,304</u>	<u>143,586</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)

**Condensed Consolidated Statement of Changes in Equity**

**For the Year Ended 30 June 2010**

(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 2009</b>	60,492	46,094	44,285	9,090	6,469	11,000	121,166	298,596
Transfer (to)/from reserves	-	-	-	-	(513)	-	513	-
Share of associated companies' reserves	-	19,150	-	-	-	-	-	19,150
Foreign currency translation	-	-	-	(12,042)	-	-	-	(12,042)
Fair value gain	-	-	29,858	-	-	-	-	29,858
- Available-for-sale investments	-	-	29,858	-	-	-	-	29,858
Net income/(expense) recognised	-	19,150	29,858	(12,042)	(513)	-	513	36,966
directly in equity	-	19,150	29,858	(12,042)	(513)	-	513	36,966
Profit for the year	-	-	-	-	-	-	12,655	12,655
Total recognised income and expense	-	19,150	29,858	(12,042)	(513)	-	13,168	49,621
for the year	-	19,150	29,858	(12,042)	(513)	-	13,168	49,621
Dividend	-	-	-	-	-	-	(907)	(907)
<b>At 30 June 2010</b>	60,492	65,244	74,143	(2,952)	5,956	11,000	133,427	347,310

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

(Incorporated in Malaysia)

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

**For the Year Ended 30 June 2010**

(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
Transfer (to)/from reserves	-	-	-	-	(528)	-	528	-
Share of associated companies' reserves	-	(8,381)	-	-	-	-	-	(8,381)
Foreign currency translation	-	-	-	12,971	-	-	-	12,971
Fair value loss	-	-	(34,141)	-	-	-	-	(34,141)
- Available-for-sale investments	-	-	(34,141)	-	-	-	-	(34,141)
Net income/(expense) recognised directly in equity	-	(8,381)	(34,141)	12,971	(528)	-	528	(29,551)
Loss for the year	-	-	-	-	-	-	(13,403)	(13,403)
Total recognised income and expense for the year	-	(8,381)	(34,141)	12,971	(528)	-	(12,875)	(42,954)
Dividends	-	-	-	-	-	-	(2,041)	(2,041)
<b>At 30 June 2009</b>	60,492	46,094	44,285	9,090	6,469	11,000	121,166	298,596

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)**

**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>12 months ended</b>	
	<b>30.06.10</b>	<b>30.06.09</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	6,672	6,407
Investment	3,354	4,476
Total	<u>10,026</u>	<u>10,883</u>
<b>Segment results</b>		
Plantation	2,814	1,952
Investment	1,876	(11,881)
	<u>4,690</u>	<u>(9,929)</u>
Unallocated corporate expenses	<u>(1,231)</u>	<u>(1,590)</u>
Profit / (Loss) from operations	<u>3,459</u>	<u>(11,519)</u>
<b>Segment assets</b>		
Plantation	33,749	30,763
Investment	319,955	273,953
	<u>353,704</u>	<u>304,716</u>
Unallocated corporate expenses	<u>28</u>	<u>28</u>
Total assets	<u>353,732</u>	<u>304,744</u>

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

Included in trade and other receivables is an amount of RM13.08 million which has been placed out at the end of June 2010 as an investment which will take effect from 1 July 2010. There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 2010.

**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.

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

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

**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.

**7. Dividend Paid**

The amount of dividend paid during the financial year ended 30 June 2010 was 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 year.

**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 30 June 2010.

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

There were no contingent liabilities or contingent assets as at 30 June 2010.

**12. 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 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 RM3.30 million was higher than the corresponding quarter ended 30 June 2009 despite lower interest income. This was due to higher crop sales arising from higher tonnage harvested and FFB prices. Dividend income was also higher.

The revenue of RM10.03 million for the current financial year ended 30 June 2010 was lower than last financial year by about RM857,000 despite higher crop sales and dividend income. This was due to lower interest income.

The Group achieved after-tax profit of RM7.73 million for the current quarter and RM12.66 million for the financial year ended 30 June 2010 as compared to the after-tax losses of RM6.18 million and RM13.40 million suffered during last year's corresponding quarter and year-to-date respectively. These were due to:-

- 1) Current year's exchange loss of RM4.47 million was lower than last year's RM6.83 million.
- 2) The revaluation of its investment property resulted in a fair value gain of RM3.15 million as compared to the fair value loss of RM9.37 million suffered for financial year ended 30 June 2009.
- 3) Share of Associates' result was a profit of RM6.38 million for the current quarter and RM10.66 million for the financial year ended 30 June 2010 as compared to last year's corresponding quarter's and year-to-date's losses of RM4.27 million and RM3.99 million respectively.

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

For the quarter under review, the Group's revenue of RM3.30 million was higher than the immediate preceding quarter's RM2.04 million despite lower crop sales on account of lower tonnage harvested and lower interest income. This was mainly due to higher dividend income of RM1.66 million received as compared to the immediate preceding quarter's of RM2,000.

The Group achieved a pre-tax profit of RM8.70 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM278,000. This was due to lower foreign exchange loss and higher share of associates' profit. The Group also recorded a fair value gain for its investment property of RM3.15 million for the current quarter while there was none during the immediate preceding quarter ended 31 March 2010.

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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's performance for the next financial year ending 30 June 2011 is not expected to improve significantly. For the 1st half of the next financial year, the effect of La Nina may have a major impact on oil palm production as heavier rainfall may hamper harvesting. Major palm oil traders are switching to soyabeans and its oil as profit margins from refining crude palm oil narrow. This may result in fall in FFB prices.

For the 2nd half of the financial year ending 30 June 2011, production is expected to increase while prices may remain stable.

The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations.

**16. Profit Forecast or Profit Guarantee**

There is no profit forecast or profit guarantee.

**17. Income Tax Expense**

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.06.10</b>	<b>30.06.09</b>	<b>30.06.10</b>	<b>30.06.09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	115	(102)	612	418
(Over) / Under provision of Malaysian income tax in prior years	(8)	1	(8)	30
	<u>107</u>	<u>(101)</u>	<u>604</u>	<u>448</u>
Deferred taxation	856	(2,554)	856	(2,554)
Total income tax expense	<u>963</u>	<u>(2,655)</u>	<u>1,460</u>	<u>(2,106)</u>

The effective tax rates for the current quarter, last year's corresponding quarter and current year-to-date were lower than the statutory tax rates as certain income not subject to tax while the effective tax rate for the financial year ended 30 June 2009 was higher as certain expenses were not deductible for tax purposes.

The deferred taxation expenses of RM856,000 for the current quarter and current year were mainly due to the increase in the fair value of its investment property while the deferred taxation credit of RM2.55 million for last year was due to the decrease in its fair value.

**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**

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

There were no sales of unquoted investments and properties.

**19. Quoted Securities**

There was no purchase or disposal of quoted securities for the current quarter and year-to-date.

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

	<b>As at 30.06.10 RM'000</b>
At cost	29,659
At carrying value	103,630
At market value	<u>103,630</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 30 June 2010.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 26 August 2010.

**23. Changes in Material Litigation**

There was no pending material litigation 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 Securities Berhad**

**24. Dividend Payable**

No interim dividend has been declared for the financial year ended 30 June 2010.

**25. Earnings Per Share**

**(a) Basic**

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

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.06.10</b>	<b>30.06.09</b>	<b>30.06.10</b>	<b>30.06.09</b>
Profit/(Loss) attributable to ordinary equity holders (RM'000)	<u>7,733</u>	<u>(6,176)</u>	<u>12,655</u>	<u>(13,403)</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>12.78</u>	<u>(10.21)</u>	<u>20.92</u>	<u>(22.16)</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 30 June 2010.

**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 26 August 2010.