

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

**Consolidated Statement Of Comprehensive Income**  
**For the Financial Period Ended 31 December 2010**  
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 6 months ended	
		31.12.10 RM'000	31.12.09 RM'000	31.12.10 RM'000	31.12.09 RM'000
<b>Revenue</b>	3	4,059	2,881	6,413	4,682
Other Income		1	-	1	3
Changes in inventories		239	248	277	433
Staff costs		(202)	(109)	(406)	(328)
Depreciation		(7)	(6)	(14)	(12)
Subcontract labour costs, fertilizer and chemical costs		(730)	(884)	(1,283)	(1,539)
Foreign exchange gain / (loss)		2,161	(633)	6,530	1,863
Other expenses		(810)	(596)	(1,213)	(1,146)
<b>Profit from operations</b>	3	4,711	901	10,305	3,956
Share of profit of associates		52	933	1,483	1,741
<b>Profit before tax</b>		4,763	1,834	11,788	5,697
Income tax expense	17	(485)	(229)	(701)	(322)
<b>Profit after tax</b>		4,278	1,605	11,087	5,375
<b><u>Other Comprehensive Income</u></b>					
Available-for-sale investments:					
Gain / (Loss) on fair value changes		13,503	(2,946)	11,151	16,004
Foreign currency translation		472	(2,492)	(8,526)	(4,688)
Share of other comprehensive income of Associates		2,085	8,064	16,709	16,357
<b>Other comprehensive income for the period, net of tax</b>		16,060	2,626	19,334	27,673
<b>Total comprehensive income for the period</b>		20,338	4,231	30,421	33,048
<b>Earnings per share attributable to equity holders</b>					
Basic (Sen)	25(a)	7.07	2.65	18.33	8.89
Diluted (Sen)	25(b)	7.07	2.65	18.33	8.89

The consolidated statement of comprehensive income 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)

**Consolidated Statement of Financial Position**  
**As at 31 December 2010**

	(Unaudited)	(Audited)
	As at	As at
	<b>31.12.10</b>	<b>30.06.10</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	940	953
Biological assets	549	549
Investment property	20,913	22,139
Investment in associates	105,177	89,571
Available-for-sale investments	126,933	103,630
Deferred tax asset	28	28
	<u>254,540</u>	<u>216,870</u>
<b>Current assets</b>		
Inventories	455	178
Trade and other receivables	1,320	13,527
Tax recoverable	-	853
Cash and bank balances	127,560	122,304
	<u>129,335</u>	<u>136,862</u>
<b>TOTAL ASSETS</b>	<u><b>383,875</b></u>	<u><b>353,732</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders to the Company</b>		
Share capital	60,492	60,492
Reserves	316,332	286,818
	<u>376,824</u>	<u>347,310</u>
<b>Non-current liabilities</b>		
Provision for retirement benefits	192	179
Deferred tax liability	4,552	4,819
	<u>4,744</u>	<u>4,998</u>
<b>Current liabilities</b>		
Trade and other payables	1,969	1,424
Tax payable	338	-
	<u>2,307</u>	<u>1,424</u>
<b>Total liabilities</b>	<u><b>7,051</b></u>	<u><b>6,422</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>383,875</b></u>	<u><b>353,732</b></u>

The consolidated statement of financial position 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)

**Consolidated Statement of Changes in Equity  
For the Financial Period Ended 31 December 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>Opening balance at 1 July 2010</b>	60,492	65,244	74,143	(2,952)	5,956	11,000	133,427	347,310
Total comprehensive income / (loss) for the period	-	16,709	11,151	(8,526)	-	-	11,087	30,421
Dividend	-	-	-	-	-	-	(907)	(907)
<b>Closing balance at 31 December 2010</b>	<u>60,492</u>	<u>81,953</u>	<u>85,294</u>	<u>(11,478)</u>	<u>5,956</u>	<u>11,000</u>	<u>143,607</u>	<u>376,824</u>
<b>Opening balance at 1 July 2009</b>	60,492	46,094	44,285	9,090	6,469	11,000	121,166	298,596
Total comprehensive income / (loss) for the period	-	16,357	16,004	(4,688)	-	-	5,375	33,048
Dividend	-	-	-	-	-	-	(907)	(907)
<b>Closing balance at 31 December 2009</b>	<u>60,492</u>	<u>62,451</u>	<u>60,289</u>	<u>4,402</u>	<u>6,469</u>	<u>11,000</u>	<u>125,634</u>	<u>330,737</u>

The 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)**  
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**Consolidated Statement of Cash Flows**  
**For the Financial Period Ended 31 December 2010**  
(The figures have not been audited)

	<b>6 months ended</b>	
	<b>31.12.10</b>	<b>31.12.09</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	3,018	101
Net cash generated from investing activities	675	754
Net cash used in financing activities	(907)	(907)
Net increase / (decrease) in cash and cash equivalents	<u>2,786</u>	<u>(52)</u>
Effects of exchange rate changes	2,470	(861)
Cash and cash equivalents at beginning of financial period	<u>122,304</u>	<u>143,586</u>
Cash and cash equivalents at end of financial period	<u>127,560</u>	<u>142,673</u>

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

	<b>As at</b>	<b>As at</b>
	<b>31.12.10</b>	<b>31.12.09</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>127,560</u>	<u>142,673</u>

The consolidated statement of cash flows 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 2010. 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 2010.

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 2010.

**(a) Adoption of New and Revised FRSs, IC Interpretations and Amendments to FRS**

**FRSs, Amendments to FRS and IC Interpretations**

FRS 4: Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 101 Presentation of Financial Statements (revised)

FRS 123 Borrowing Costs

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127:

Consolidated and Separate Financial Statements: Cost of Investment in Subsidiary Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7:

Financial Instruments: Disclosure and IC Interpretation 9: Reassessment of Embedded Derivatives.

Amendments to FRSs 'Improvement to FRS (2009)'

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

Amendments to FRS 132: Classification of Rights Issue

FRS 1(revised): First-time Adoption of Financial Reporting Standards

FRS 3 (revised): Business Combinations

FRS 127 (revised): Consolidated & Separate 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 (cont'd)**

Amendments to FRS 2: Share-based Payment  
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations  
Amendments to FRS 138: Intangible Assets  
IC Interpretation 12: Service Concession Arrangements  
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation  
IC Interpretation 17: Distributions of Non-cash Assets to Owners  
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives

Other than the application of FRS 101, the application of new FRSs, Amendments to FRSs and interpretations that are effective for the financial statements commencing on 1 July 2010 did not result in any significant changes in the accounting policies and presentation of financial results of the Group.

**FRS101 Presentation of Financial Statements**

FRS 101 requires the separation of owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income. Comparative information have been re-presented in conformity with the relevant standard.

In addition, FRS 101 has introduced new title on the financial statements. Statement of Financial Position has replaced Balance Sheet, Statement of Comprehensive Income has replaced Income Statement and Statement of Cash Flows has replaced Cash Flow Statement. This Standard does not have any material impact on the financial position and results of the Group.

**(b) Revised FRSs, IC Interpretations and Amendments to FRS issued and not yet effective**

The Group has not early adopted the following revised FRSs, IC Interpretations and amendments to FRSs which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

	<b>Effective date for financial periods beginning on or after</b>
Amendments to FRS 1: Limited exemption for comparative FRS 7: Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendment to FRS 1: Additional exemptions for First-Time Adopters	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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**Part A - Explanatory Notes Pursuant to FRS 134**

**1. Basis of Preparation (cont'd)**

	<b>Effective date for financial periods beginning on or after</b>
IC Interpretation 4: Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18: Transfers of Assets from Customers	1 January 2011
Improvements to FRS issued in 2010	1 January 2011
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC interpretation 14: Prepayments of a minimum funding requirement	1 July 2011
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012
FRS 124 : Related Party Disclosures (Revised)	1 January 2012

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

The auditors' report on the financial statements for the year ended 30 June 2010 was not qualified.

**3. Segmental Information**

	<b>6 months ended</b>	
	<b>31.12.10</b>	<b>31.12.09</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	4,900	3,262
Investment	1,513	1,420
Total	<u>6,413</u>	<u>4,682</u>
<b>Segment results</b>		
Plantation	3,155	1,305
Investment	7,958	3,205
	<u>11,113</u>	<u>4,510</u>
Unallocated corporate expenses	(808)	(554)
Profit from operations	<u>10,305</u>	<u>3,956</u>
<b>Segment assets</b>		
Plantation	36,831	31,800
Investment	347,016	305,123
	<u>383,847</u>	<u>336,923</u>
Unallocated corporate expenses	28	28
Total assets	<u>383,875</u>	<u>336,951</u>

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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**Part A - Explanatory Notes Pursuant to FRS 134**

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

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

**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 dividends paid during the financial period ended 31 December 2010 were as follows:

In respect of the financial year ended 30 June 2010, 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.



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

**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 2010.

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

There were no contingent liabilities or contingent assets as at 31 December 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 RM4.06 million and RM6.41 million for the period ended 31 December 2010 were higher than the corresponding quarter and period ended 31 December 2009 despite lower interest income. This was due to higher crop sales arising from higher tonnage harvested and higher FFB prices. Dividend income was also higher.

The Group reported after-tax profit of RM4.28 million and RM11.09 million for the current quarter and period-to-date respectively. These were significantly higher than the after-tax profit achieved for the corresponding quarter and period-to-date ended 31 December 2009. Besides higher revenue, the unrealised foreign exchange gain of RM2.16 million for the current quarter and RM6.53 million for the current period-to-date were higher as compared to the unrealised foreign exchange loss of RM633,000 and unrealised foreign exchange gain of RM1.86 million for last year's corresponding quarter and period-to-date. Share of associates' financial profit of RM52,000 and RM1.48 million for the current quarter and period-to-date were however, lower than last year's corresponding quarter and period-to-date.

**14. Comment on Material Change in Profit Before Taxation for the Current Quarter as Compare with the Immediate Preceding Quarter**

For the quarter under review, the Group's revenue of RM4.06 million was higher than the immediate preceding quarter of RM2.35 million mainly due to higher crop sales on account of higher tonnage harvested and higher FFB prices. Dividend income was also higher.

The Group achieved a pre-tax profit of RM4.76 million for the current quarter which was lower than the immediate preceding quarter's pre-tax profit of RM7.03 million despite higher revenue. This was due to unrealised foreign exchange gain of RM2.16 million was lower than the immediate preceding quarter's RM4.37 million. Share of associates' profit of RM52,000 for the current quarter was also lower than the immediate preceding quarter of RM1.43 million.

**15. Commentary on Prospects**

The plantation is expected to perform satisfactorily as the average FFB prices have strengthened substantially since the end of the previous financial year. They are expected to remain strong for the rest of the financial year ending 30 June 2011.

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

**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**

**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>6 months ended</b>	
	<b>31.12.10</b>	<b>31.12.09</b>	<b>31.12.10</b>	<b>31.12.09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	485	229	701	322
Total income tax expense	<u>485</u>	<u>229</u>	<u>701</u>	<u>322</u>

The effective tax rates for the current quarter, current year-to-date, last year's corresponding quarter and year-to-date were lower than the statutory tax rates as certain income are not subject to tax.

**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.

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

	<b>As at 31.12.10 RM'000</b>
At cost	26,207
At carrying value	107,352
At market value	<u>107,352</u>

**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**

**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 December 2010.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 28 February 2011.

**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**

The Board approved a special interim dividend of 1% less 25% taxation for the financial year ending 30 June 2011. The book closure date will be determined in due course.

**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**

**25. Earnings Per Share**

**(a) Basic**

Basic earnings per share amounts are calculated by dividing profit 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>3 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>31.12.10</b>	<b>31.12.09</b>	<b>31.12.10</b>	<b>31.12.09</b>
Profit attributable to ordinary equity holders (RM'000)	<u>4,278</u>	<u>1,605</u>	<u>11,087</u>	<u>5,375</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 per share (Sen)	<u>7.07</u>	<u>2.65</u>	<u>18.33</u>	<u>8.89</u>

**(b) Diluted**

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 31 December 2010.

**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**

**26. Disclosure of Realised and Unrealised Profits / (Losses)**

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed companies to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses. On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits mentioned above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

The breakdown of retained profits of the Group as at 31 December 2010, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	<b>As at 31.12.10 RM'000</b>	<b>As at 30.09.10 RM'000</b>
<b>Total retained profits of the Group and its subsidiaries:</b>		
- Realised	108,139	103,329
- Unrealised	1,327	(938)
	109,466	102,391
<b>Total share of retained profits from associated companies:</b>		
- Realised	36,719	36,667
- Unrealised	4,369	4,369
	41,088	41,036
	150,554	143,427
<b>Less: Consolidation adjustments</b>	(6,947)	(3,191)
	143,607	140,236

**27. 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 28 February 2011.