

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 31 December 2011
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 6 months ended	
		31.12.11 RM'000	31.12.10 RM'000	31.12.11 RM'000	31.12.10 RM'000
Revenue	4	3,387	4,059	6,799	6,413
Other Income		1	1	1	1
Changes in inventories		(491)	239	77	277
Staff costs		(196)	(202)	(461)	(406)
Depreciation		(7)	(7)	(14)	(14)
Subcontract labour costs, fertilizer and chemical costs		(808)	(730)	(1,425)	(1,283)
Foreign exchange (loss) / gain		(307)	2,161	(4,125)	6,530
Other expenses		80	(810)	(987)	(1,213)
Profit / (Loss) from operations	4	1,659	4,711	(135)	10,305
Share of (loss) / profit of associates		(2,111)	52	(960)	1,483
(Loss) / Profit before tax		(452)	4,763	(1,095)	11,788
Income tax expense	20	(363)	(485)	(781)	(701)
(Loss) / Profit after tax		(815)	4,278	(1,876)	11,087
<u>Other Comprehensive Income</u>					
Available-for-sale investments:					
(Loss) / Gain on fair value changes		(172)	13,503	(17,135)	11,151
Foreign currency translation		(167)	472	8,235	(8,526)
Share of other comprehensive income / (loss) of associates		91	2,085	(17,839)	16,709
Other comprehensive (loss) / income for the period, net of tax		(248)	16,060	(26,739)	19,334
Total comprehensive (loss) / income for the period		(1,063)	20,338	(28,615)	30,421
(Loss) / Earnings per share attributable to equity holders					
Basic (Sen)	25(a)	(1.35)	7.07	(3.10)	18.33
Diluted (Sen)	25(b)	(1.35)	7.07	(3.10)	18.33

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 2011**

	(Unaudited)	(Audited)
	As at	As at
	31.12.11	30.06.11
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	914	928
Biological assets	549	549
Investment property	26,812	25,513
Investment in associates	82,811	99,229
Available-for-sale investments	116,221	125,448
Deferred tax asset	35	35
	<u>227,342</u>	<u>251,702</u>
Current assets		
Inventories	124	47
Trade and other receivables	1,069	353
Cash and bank balances	123,408	129,535
	<u>124,601</u>	<u>129,935</u>
TOTAL ASSETS	<u>351,943</u>	<u>381,637</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,492	60,492
Reserves	282,975	313,178
	<u>343,467</u>	<u>373,670</u>
Non-current liabilities		
Provision for retirement benefits	225	212
Deferred tax liability	6,165	5,867
	<u>6,390</u>	<u>6,079</u>
Current liabilities		
Trade and other payables	1,899	1,862
Tax payable	187	26
	<u>2,086</u>	<u>1,888</u>
Total liabilities	<u>8,476</u>	<u>7,967</u>
TOTAL EQUITY AND LIABILITIES	<u>351,943</u>	<u>381,637</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 2011

(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	
Opening balance at 1 July 2011	60,492	79,753	80,005	(14,743)	5,956	11,000	151,207	373,670
Total comprehensive income / (loss) for the period	-	(17,839)	(17,135)	8,235	-	-	(1,876)	(28,615)
Dividends	-	-	-	-	-	-	(1,588)	(1,588)
Closing balance at 31 December 2011	60,492	61,914	62,870	(6,508)	5,956	11,000	147,743	343,467
Opening balance at 1 July 2010	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)
Closing balance at 31 December 2010	60,492	81,953	85,294	(11,478)	5,956	11,000	143,607	376,824

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)
(Incorporated in Malaysia)

Consolidated Statement of Cash Flows
For the Financial Period Ended 31 December 2011
(The figures have not been audited)

	6 months period	
	31.12.11	31.12.10
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(1,095)	11,788
Adjustments for:		
Depreciation	14	14
Provision for retirement benefit	13	13
Unrealised foreign exchange loss / (gain)	4,125	(6,530)
Dividend income	(1,193)	(1,259)
Interest income	(321)	(254)
Share of loss / (profit) of associates	960	(1,483)
Operating cash flows before working capital changes	<u>2,503</u>	<u>2,289</u>
Receivables	28	(31)
Inventories	(77)	(277)
Payables	36	547
Cash flows from operations	<u>2,490</u>	<u>2,528</u>
Taxes refunded	-	825
Taxes paid	(620)	(335)
Net cash flows from operating activities	<u>1,870</u>	<u>3,018</u>
INVESTING ACTIVITIES		
Dividends received	467	436
Interest received	304	239
Purchase of available-for-sale investments	(6,615)	-
Cash flows (used in) / from investing activities	<u>(5,844)</u>	<u>675</u>
FINANCING ACTIVITY		
Dividends paid	(1,588)	(907)
Net cash used in financing activity	<u>(1,588)</u>	<u>(907)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(5,562)	2,786
EFFECTS OF EXCHANGE RATE CHANGES	(565)	2,470
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>129,535</u>	<u>122,304</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>123,408</u>	<u>127,560</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 2011. 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 2011.

2. Significant accounting policies

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 2011.

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

FRSs, Amendments to FRS and IC Interpretations

Amendments to FRS 1:	Limited exemption for comparatives FRS 7: Disclosures for First-time Adopters
Amendments to FRS 1:	Additional exemptions for First-time Adopters
Amendments to FRS 2:	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7:	Improving Disclosures about Financial Instruments
IC Interpretation 4:	Determining whether an Arrangement contains a Lease
IC Interpretation 18:	Transfers of Assets from Customers
Improvements to FRSs issued in 2010	
IC Interpretation 19:	Extinguishing Financial Liabilities with Equity Investments
Amendments to IC	
Interpretation 14:	Prepayments of a Minimum Funding Requirement

Except for the new disclosures required under the Amendments to FRS 7, the application of new FRSs, Amendments to FRSs and interpretations that are effective for the financial statements commencing on 1 July 2011 did not result in any significant changes in the accounting policies and presentation of financial results of the Group.

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

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant Accounting Policies (cont'd)

(b) Revised FRS and IC Interpretation issued and not yet effective

The Group has not early adopted the following revised FRS and IC Interpretation 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:

	Effective date for financial periods beginning on or after
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 9 Financial Instruments	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

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

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant Accounting Policies (cont'd)

(b) Revised FRS and IC Interpretation issued and not yet effective (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2011 was not qualified.

4. Segmental Information

	6 months ended	
	31.12.11	31.12.10
	RM'000	RM'000
Segment Revenue		
Plantation	5,285	4,900
Investment	1,514	1,513
Total	<u>6,799</u>	<u>6,413</u>
Segment results		
Plantation	3,293	3,155
Investment	(2,685)	7,958
	608	11,113
Unallocated corporate expenses	(743)	(808)
(Loss) / Profit from operations	<u>(135)</u>	<u>10,305</u>
Segment assets		
Plantation	39,949	36,831
Investment	311,959	347,016
	351,908	383,847
Unallocated corporate asset	35	28
Total assets	<u>351,943</u>	<u>383,875</u>

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

5. 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 2011.

6. Changes in Estimates

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

7. 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.

8. Dividend Paid

The amount of dividends paid during the financial period ended 31 December 2011 were as follows:-

In respect of the financial year ended 30 June 2011, as reported in the directors' report of that year:

	Amount	Net Dividend
	RM	per share
		(Sen)
Final ordinary dividend of 2% less 25% taxation	907,373	1.500
Bonus dividend of 1.5% less 25% taxation	680,530	1.125
	<u>1,587,903</u>	<u>2.625</u>

9. 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.

10. Changes in Composition of the Group

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

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

Part A - Explanatory Notes Pursuant to FRS 134

11. 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 2011.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 2011.

13. Related Party Transactions

Transactions with related parties are as follows:

	3 months ended		6 months ended	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih, has an interest	99	63	165	103
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest	110	175	260	295

14. 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**

15. Performance Review

The Group's revenue for the current quarter of RM3.39 million was lower than the corresponding quarter ended 31 December 2010 by RM672,000. This was due to lower crop sales arising from lower FFB prices and lower fresh fruit bunches production. Dividend income was also lower while interest income was higher.

For the fiscal first half, the Group's revenue was RM6.80 million, up 6% year-on-year. This was due to higher crop sales on account of higher FFB prices, higher tonnage harvested and higher interest income. Dividend income was however lower by RM66,000.

The Group suffered after-tax losses of RM815,000 and RM1.88 million for the current quarter and period-to-date respectively as compared to the after-tax profits of RM4.28 million and RM11.09 million achieved during the corresponding quarter and period ended 31 December 2010 respectively. This was due to unrealised foreign exchange losses of RM307,000 and RM4.13 million suffered during the current quarter and period-to-date respectively. Unrealised exchange gain of RM2.16 million and RM6.53 million were recorded for last year's corresponding quarter and period-to-date respectively.

16. Comment on Material Change in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

For the quarter under review, the Group's revenue of RM3.39 million was lower than the immediate preceding quarter of RM3.41 million mainly due to lower crop sales on account of lower tonnage harvested and FFB prices. Dividend and interest income were however higher.

The Group suffered a pre-tax loss of RM452,000 for the current quarter which was lower than the immediate preceding quarter's pre-tax loss of RM643,000 despite share of associates' financial results was a loss of RM2.11 million for the current quarter as compared to a profit of RM1.15 million for the preceding quarter. This was mainly due to the lower unrealised exchange loss of RM307,000 for the current quarter as compared to the immediate preceding quarter's loss of RM3.82 million.

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**

17. Commentary on Prospects

The price of crude palm oil ("CPO") is expected to remain around RM3,000 per ton for the rest of the financial year ending 30 June 2012. However, the Group's plantation performance is expected to achieve satisfactory levels of profitability as FFB production is expected to increase in the coming months.

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

18. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

19. (Loss)/Profit before tax

(Loss)/Profit for the period is arrived after charging/(crediting):

	Current Quarter RM'000	Year- To-Date RM'000
Interest income	(172)	(321)
Other income including investment income	(767)	(1,194)
Interest expense	n/a	n/a
Depreciation and amortization	7	14
Provision for and write off of receivables	n/a	n/a
Provision for and write off of inventories	n/a	n/a
Gain or loss on disposal of quoted or unquoted investments or properties	n/a	n/a
Impairment of assets	n/a	n/a
Foreign exchange gain or loss	307	4,125
(Gain)/Loss on derivatives	n/a	n/a
Exceptional items	n/a	n/a

n/a : Not applicable

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**

20. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		6 months ended	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	363	485	781	701
Total income tax expense	<u>363</u>	<u>485</u>	<u>781</u>	<u>701</u>

The effective tax rates for the current quarter and year-to-date were higher than the statutory tax rates applicable in Malaysia as certain expenses were not deductible for tax purposes while the effective tax rate for last year's corresponding quarter and year-to-date were lower than the statutory tax rates as certain income are not subject to tax.

21. Corporate Proposals

There was no corporate proposal announced by the Company as at the date of the issue of this quarterly report.

22. Borrowings

There were no borrowings and debt securities as at 31 December 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 directors do not recommend any dividend for the current quarter under review.

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

	Individual Quarter		Year-To-Date	
	3 months ended		6 months ended	
	31.12.11	31.12.10	31.12.11	31.12.10
(Loss) / Profit attributable to ordinary equity holders (RM'000)	<u>(815)</u>	<u>4,278</u>	<u>(1,876)</u>	<u>11,087</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 (loss) / earnings per share (Sen)	<u>(1.35)</u>	<u>7.07</u>	<u>(3.10)</u>	<u>18.33</u>

(b) Diluted

Diluted (loss) / earnings per share is the same as basic (loss) / earnings per share as there is no dilutive potential ordinary shares outstanding as at 31 December 2011.

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)

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, pursuant to the format prescribed by Bursa Malaysia , is as follows:

	As at 31.12.11 RM'000	As at 31.12.10 RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	114,415	108,139
- Unrealised	7,071	1,327
	121,486	109,466
Total share of retained profits from associated companies:		
- Realised	34,768	36,719
- Unrealised	2,602	4,369
	37,370	41,088
	158,856	150,554
Less: Consolidation adjustments	(11,113)	(6,947)
	<u>147,743</u>	<u>143,607</u>

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 29 February 2012.