

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 30 September 2012
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 3 months ended	
		30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Revenue	4	2,661	3,412	2,661	3,412
Other Income		1	-	1	-
Changes in inventories		119	568	119	568
Staff costs		(270)	(265)	(270)	(265)
Depreciation		(7)	(7)	(7)	(7)
Subcontract labour costs, fertilizer and chemical costs		(933)	(617)	(933)	(617)
Foreign exchange gain / (loss)		2,355	(3,818)	2,355	(3,818)
Other expenses		(587)	(1,067)	(587)	(1,067)
Profit / (Loss) from operations	4	3,339	(1,794)	3,339	(1,794)
Share of profit of associates		1,583	1,151	1,583	1,151
Profit / (Loss) before tax		4,922	(643)	4,922	(643)
Income tax expense	21	(168)	(418)	(168)	(418)
Profit / (Loss) after tax		4,754	(1,061)	4,754	(1,061)
<u>Other Comprehensive Income</u>					
Available-for-sale investments:					
Gain / (Loss) on fair value changes		16,011	(16,963)	16,011	(16,963)
Foreign currency translation		(6,897)	8,402	(6,897)	8,402
Share of other comprehensive income of associates		4,178	(17,930)	4,178	(17,930)
Other comprehensive income for the period, net of tax		13,292	(26,491)	13,292	(26,491)
Total comprehensive income for the period		18,046	(27,552)	18,046	(27,552)
Earnings / (loss) per share attributable to equity holders					
Basic (Sen)	26(a)	7.86	(1.75)	7.86	(1.75)
Diluted (Sen)	26(b)	7.86	(1.75)	7.86	(1.75)

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 30 September 2012**

	(Unaudited) As at 30.09.12 RM'000	(Audited) As at 30.06.12 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	878	885
Biological assets	549	549
Investment property	28,247	29,435
Investment in associates	97,682	93,990
Available-for-sale investments	134,332	119,415
Deferred tax asset	35	35
	<u>261,723</u>	<u>244,309</u>
Current assets		
Inventories	191	72
Trade and other receivables	407	239
Prepayments	55	74
Tax recoverable	434	166
Cash and bank balances	131,408	131,767
	<u>132,495</u>	<u>132,318</u>
TOTAL ASSETS	<u>394,218</u>	<u>376,627</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,492	60,492
Reserves	324,852	306,806
	<u>385,344</u>	<u>367,298</u>
Non-current liabilities		
Provision for retirement benefits	234	227
Deferred tax liability	6,614	6,893
	<u>6,848</u>	<u>7,120</u>
Current liabilities		
Trade and other payables	2,026	2,209
Tax payable	-	-
	<u>2,026</u>	<u>2,209</u>
Total liabilities	<u>8,874</u>	<u>9,329</u>
TOTAL EQUITY AND LIABILITIES	<u>394,218</u>	<u>376,627</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 30 September 2012

(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
Opening balance at 1 July 2012	60,492	73,237	65,906	(5,512)	5,956	11,000	156,219	367,298
Total comprehensive income for the period	-	4,178	16,011	(6,897)	-	-	4,754	18,046
Closing balance at 30 September 2012	<u>60,492</u>	<u>77,415</u>	<u>81,917</u>	<u>(12,409)</u>	<u>5,956</u>	<u>11,000</u>	<u>160,973</u>	<u>385,344</u>
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 for the period	-	(17,930)	(16,963)	8,402	-	-	(1,061)	(27,552)
Closing balance at 30 September 2011	<u>60,492</u>	<u>61,823</u>	<u>63,042</u>	<u>(6,341)</u>	<u>5,956</u>	<u>11,000</u>	<u>150,146</u>	<u>346,118</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)
(Incorporated in Malaysia)

Consolidated Statement of Cash Flows
For the Financial Period Ended 30 September 2012
(The figures have not been audited)

	3 months period	
	30.09.12	30.09.11
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit / (loss) before taxation	4,922	(643)
Adjustments for:		
Depreciation	7	7
Provision for retirement benefit	7	7
Unrealised foreign exchange (gain) / loss	(2,355)	3,818
Dividend income	(431)	(427)
Interest income	(192)	(149)
Share of profit of associates	(1,583)	(1,151)
Operating cash flows before working capital changes	375	1,462
Receivables	(142)	22
Prepayments	19	35
Inventories	(119)	(568)
Payables	(182)	240
Cash flows (used in) / from operations	(49)	1,191
Taxes paid	(436)	(297)
Net cash flows (used in) /from operating activities	(485)	894
INVESTING ACTIVITIES		
Dividends received	431	428
Interest received	163	147
Cash flows from investing activities	594	575
NET INCREASE IN CASH AND CASH EQUIVALENTS	109	1,469
EFFECTS OF EXCHANGE RATE CHANGES	(468)	(244)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	131,767	129,535
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	131,408	130,760

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 2012. 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 2012.

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 2012.

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

FRSs, Amendments to FRS and IC Interpretations

Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

Amendments to FRS 7: Transfers of Financial Assets

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

FRS 124 Related Party Disclosures

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The adoption of the new FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial statements commencing on 1 July 2012 does not result in any significant financial position, results and presentation of financial statements of the Group.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
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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
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
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guideline	1 January 2013
Improvement to FRSs (2012)	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

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 two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2015. 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.

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Part A - Explanatory Notes Pursuant to FRS 134

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2012 was not qualified.

4. Segmental Information

	3 months ended	
	30.09.12	30.09.11
	RM'000	RM'000
Segment Revenue		
Plantation	2,038	2,836
Investment	623	576
Total	<u>2,661</u>	<u>3,412</u>
Segment results		
Plantation	853	2,094
Investment	2,940	(3,275)
	<u>3,793</u>	<u>(1,181)</u>
Unallocated corporate expenses	(454)	(613)
Profit/(Loss) from operations	<u>3,339</u>	<u>(1,794)</u>
Segment assets		
Plantation	46,083	41,814
Investment	348,100	312,912
	<u>394,183</u>	<u>354,726</u>
Unallocated corporate asset	35	35
Total assets	<u>394,218</u>	<u>354,761</u>

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 30 September 2012.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter 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.

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Part A - Explanatory Notes Pursuant to FRS 134

8. Dividend Paid

No dividend was paid since the last quarter.

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter.

10. Changes in Composition of the Group

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

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 30 September 2012.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2012.

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	30.09.12	30.09.11	30.09.12	30.09.11
	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	79	66	79	66
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest	120	150	120	150
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest	15	-	15	-

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Part A - Explanatory Notes Pursuant to FRS 134

14. Subsequent Events

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

15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.09.12				
Available-for-sale financial assets	<u>116,526</u>	<u>17,806</u>	<u>-</u>	<u>134,332</u>
30.06.12				
Available-for-sale financial assets	<u>102,145</u>	<u>17,270</u>	<u>-</u>	<u>119,415</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current interim financial period and the comparative period. There were no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

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. Performance Review

The Group's revenue for the current quarter of RM2.66 million was lower than the corresponding quarter ended 30 September 2011 by RM751,000 despite higher dividend and interest income. This shortfall was due to lower crop sales arising from lower FFB prices and lower fresh fruit bunches production.

For the current quarter, the Group reported an after-tax profit of RM4.75 million which was a positive turnaround from the after-tax loss of RM1.06 million suffered a year ago. This was mainly due to the unrealised exchange gain of RM2.36 million as compared to the corresponding quarter's unrealised exchange loss of RM3.82 million. Share of associates' profit of RM1.58 million for the current quarter was higher than the corresponding quarter by RM432,000.

17. 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 RM2.66 million was lower than the immediate preceding quarter of RM3.24 million despite higher crop sales. This was mainly due to dividend income of RM431,000 was received as compared to the receipt of RM1.41 million during the immediate preceding quarter ended 30 June 2012.

The Group reported a pre-tax profit of RM4.92 million for the current quarter which was significantly higher than the immediate preceding quarter's RM1.91 million despite the recognition of the fair value gain of RM2.40 million arising from the revaluation of its investment property in the immediate preceding quarter while there was none for the current quarter. This was due to:-

- 1) The exchange difference was a gain of RM2.36 million for the current quarter while the immediate preceding quarter was a loss of RM185,000.
- 2) Share of associates' result was a profit of RM1.58 million for the current quarter while it was a loss of RM1.63 million for the immediate preceding quarter.

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

18. Commentary on Prospects

With the recruitment of additional employees, the labour shortage problem has been resolved. However, the performance for the rest of the financial year is expected not to be better than last year due to the following reasons:-

- 1) The labour cost is expected to increase as the Government is implementing the minimum wage policy with effect from January 2013.
- 2) Currently, there is an over supply of CPO and this may result in lowering the FFB prices.

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

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit / (Loss) before tax

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

	Individual Quarter		Year-To-Date	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	RM'000	RM'000	RM'000
Interest income	(192)	(149)	(192)	(149)
Other income including investment income	(431)	(427)	(431)	(427)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	7	7	7	7
Provision for and write off of receivables	n/a	n/a	n/a	n/a
Provision for and write off of inventories	n/a	n/a	n/a	n/a
Gain or loss on disposal of quoted or unquoted investments or properties	n/a	n/a	n/a	n/a
Impairment of assets	n/a	n/a	n/a	n/a
Foreign exchange (gain) / loss	(2,355)	3,818	(2,355)	3,818
(Gain) / Loss on derivatives	n/a	n/a	n/a	n/a
Exceptional items	-	-	-	-

n/a : Not applicable

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**

21. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	168	418	168	418
Total income tax expense	<u>168</u>	<u>418</u>	<u>168</u>	<u>418</u>

The effective tax rate for the current quarter was lower than the statutory tax rate as certain income are not subject to tax while the effective tax rate for last year's corresponding quarter was higher as certain expenses were not deductible for tax purposes.

22. Corporate Proposals

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

23. Borrowings

There were no borrowings and debt securities as at 30 September 2012.

24. Changes in Material Litigation

There was no pending material litigation as at the date of the issue of this quarterly report.

25. Dividend Payable

The following dividends in respect of the financial year ended 30 June 2012 on 60,491,552 ordinary shares have been approved by the shareholders at the Annual General Meeting on 20 November 2012:

	Amount	Net dividend
	RM	per share
		Sen
Final dividend of 2% less 25% taxation	907,373	1.50
Bonus dividend of 0.5% less 25% taxation	226,843	0.38
	<u>1,134,216</u>	<u>1.88</u>

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

26. 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.

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
Profit / (loss) attributable to ordinary equity holders (RM'000)	<u>4,754</u>	<u>(1,061)</u>	<u>4,754</u>	<u>(1,061)</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>7.86</u>	<u>(1.75)</u>	<u>7.86</u>	<u>(1.75)</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 September 2012.

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**

27. 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 30.09.12 RM'000	As at 30.06.12 RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	120,466	119,651
- Unrealised	10,129	11,128
	130,595	130,779
Total share of retained profits from associated companies:		
- Realised	36,714	35,131
- Unrealised	1,838	1,838
	38,552	36,969
	169,147	167,748
Less: Consolidation adjustments	(8,174)	(11,529)
	<u>160,973</u>	<u>156,219</u>

28. 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 20 November 2012.