

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

Condensed Consolidated Income Statement

For the Three-Month Period Ended 30 September 2007

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 3 months ended	
		30.09.2007 RM'000	30.09.2006 RM'000	30.09.2007 RM'000	30.09.2006 RM'000
Revenue	4	5,148	2,722	5,148	2,722
Other Income		-	2	-	2
Changes in Inventories		37	125	37	125
Staff Costs		(259)	(185)	(259)	(185)
Depreciation		(6)	(6)	(6)	(6)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(958)	(725)	(958)	(725)
Foreign Exchange Gain / (Loss)		3,482	(120)	3,482	(120)
Other Expenses		(421)	(568)	(421)	(568)
Write-back of Provision for Diminution In Value of Investment in Associate		-	189	-	189
Profit from Operations	4	7,023	1,434	7,023	1,434
Share of Profit of Associates		527	3,469	527	3,469
Profit before Taxation		7,550	4,903	7,550	4,903
Income tax expense	18	(725)	(311)	(725)	(311)
Net profit for the period		6,825	4,592	6,825	4,592
Earnings per share attributable to equity holders:					
Basic (Sen)	26(a)	11.28	7.59	11.28	7.59
Diluted (Sen)	26(b)	11.28	7.59	11.28	7.59

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 September 2007**

		(Unaudited) As at 30.09.2007 RM'000	(Audited) As at 30.6.2007 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,482	1,488
Investment property		24,174	24,465
Investment in associates		83,348	83,644
Available-for-sale investments	20	111,858	114,728
Deferred tax asset		135	135
		<u>220,997</u>	<u>224,460</u>
Current assets			
Inventories		45	7
Trade and other receivables		483	468
Cash and bank balances		130,005	124,992
		<u>130,533</u>	<u>125,467</u>
TOTAL ASSETS		<u>351,530</u>	<u>349,927</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders to the Company			
Share capital		60,492	60,492
Reserves		282,083	280,151
		<u>342,575</u>	<u>340,643</u>
Non-current liabilities			
Retirement benefit obligations		389	383
Deferred tax liability		5,779	5,779
		<u>6,168</u>	<u>6,162</u>
Current liabilities			
Trade and other payables		2,068	2,710
Current tax payable		719	412
		<u>2,787</u>	<u>3,122</u>
Total liabilities		<u>8,955</u>	<u>9,284</u>
TOTAL EQUITY AND LIABILITIES		<u>351,530</u>	<u>349,927</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 Three-Month Period Ended 30 September 2007**

(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
At 1 July 2007	60,492	67,007	85,069	4,131	7,183	11,000	105,761	340,643
Share of associated companies' reserves	-	(322)	-	-	-	-	-	(322)
Foreign currency translation	-	-	-	(1,742)	-	-	-	(1,742)
Fair value gain								
- Available-for-sale investments	-	-	(2,829)	-	-	-	-	(2,829)
Net income/(expense) recognised directly in equity	-	(322)	(2,829)	(1,742)	-	-	-	(4,893)
Profit for the period	-	-	-	-	-	-	6,825	6,825
Total recognised income and expense for the period	-	(322)	(2,829)	(1,742)	-	-	6,825	1,932
At 30 September 2007	60,492	66,685	82,240	2,389	7,183	11,000	112,586	342,575

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

(Incorporated in Malaysia)

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

For the Three-Month Period Ended 30 September 2007

(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
At 1 July 2006	60,492	40,255	-	12,602	7,364	11,000	75,552	207,265
Effects of adopting:								
FRS 139	-	10,405	68,800	-	-	-	-	79,205
FRS 140	-	-	-	-	-	-	11,513	11,513
	<u>60,492</u>	<u>50,660</u>	<u>68,800</u>	<u>12,602</u>	<u>7,364</u>	<u>11,000</u>	<u>87,065</u>	<u>297,983</u>
Share of associated companies' reserves	-	(1,291)	-	-	-	-	-	(1,291)
Foreign currency translation	-	-	-	511	-	-	-	511
Fair value gain								
- Available-for-sale investments	-	-	10,551	-	-	-	-	10,551
Net income/(expense) recognised								
directly in equity	-	(1,291)	10,551	511	-	-	-	9,771
Profit for the period	-	-	-	-	-	-	4,592	4,592
Total recognised income and expense for the period	<u>-</u>	<u>(1,291)</u>	<u>10,551</u>	<u>511</u>	<u>-</u>	<u>-</u>	<u>4,592</u>	<u>14,363</u>
At 30 September 2006	<u>60,492</u>	<u>49,369</u>	<u>79,351</u>	<u>13,113</u>	<u>7,364</u>	<u>11,000</u>	<u>91,657</u>	<u>312,346</u>

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 Three-Month Period Ended 30 September 2007
(The figures have not been audited)

	3 months ended	
	30.09.2007	30.09.2006
	RM'000	RM'000
Net cash generated from operating activities	788	376
Net cash generated from investing activities	1,633	1,232
Net increase in cash and cash equivalents	<u>2,421</u>	<u>1,608</u>
Effects of exchange rate changes	2,592	182
Cash and cash equivalents at beginning of financial period	<u>124,992</u>	<u>121,120</u>
Cash and cash equivalents at end of financial period	<u>130,005</u>	<u>122,910</u>

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

	As at	As at
	30.09.2007	30.09.2006
	RM'000	RM'000
Cash and bank balances	<u>130,005</u>	<u>122,910</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 under the historical cost convention except for the assets and liabilities that are stated at fair values: available-for-sale investments and investment properties.

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.

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 2007.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2007 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) :

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 117: Leases	1 October 2006
FRS 124: Related Party Disclosures	1 October 2006
FRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119 ₂₀₀₄ : Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS 112: Income Taxes	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134: Interim Financial Reporting	1 July 2007
FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007

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

Part A - Explanatory Notes Pursuant to FRS 134

2. Changes in Accounting Policies (Cont'd)

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 ₂₀₀₄ - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The adoption of the above new/revised FRSs does not have any significant financial impact on the Group in the current and prior financial year.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2007 was not qualified.

4. Segmental Information

	3 months ended	
	30.09.2007	30.09.2006
	RM'000	RM'000
Segment Revenue		
Plantation	3,243	1,443
Investment	1,905	1,279
Total	<u>5,148</u>	<u>2,722</u>
Segment results		
Plantation	1,798	551
Investment	5,612	1,208
	<u>7,410</u>	<u>1,759</u>
Unallocated corporate expenses	<u>(387)</u>	<u>(325)</u>
Profit from operations	<u>7,023</u>	<u>1,434</u>

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

Part A - Explanatory Notes Pursuant to FRS 134

5. 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 30 September 2007.

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.

8. Dividends 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.

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 30 September 2007.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2007.

13. 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**

14. Performance Review

The Group's revenue of RM5.15 million for the current quarter ended 30 September 2007 was higher by RM2.43 million as compared to the corresponding quarter ended 30 September 2006. This was due to higher sales, dividend and interest income achieved during the current quarter.

The after-tax profits of RM6.83 million for the current quarter was higher than last year's quarter of RM4.59 million. This was due to unrealised foreign exchange gain of RM3.48 million as compared to the corresponding quarter's unrealised foreign exchange loss of RM120,000. This was partially offset by share of associates' profit of RM527,000 as compared to RM3.47 million for the corresponding quarter.

15. Comment on Material Change in Profit Before Taxation

For the quarter under review, the Group achieved a pre-tax profit of RM7.55 million as compared to the immediate preceding quarter's pre-tax profit of RM11.48 million. The latter benefited from fair value gain of investment property of RM8.51 million while there was none in the current quarter. This shortfall was partially offset by higher sales, higher unrealised foreign exchange gain and share of associates' profit of RM527,000 as compared to the loss of RM1.45 million for the immediate preceding quarter.

16. Commentary on Prospects

The prospect of the plantation performance for the rest of the financial year is good in view of the prevailing strong crude palm oil prices which are expected to be maintained. The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations.

17. Profit Forecast or Profit Guarantee

There is no profit forecast and profit guarantee.

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

18. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	720	215	720	215
Foreign tax	5	96	5	96
Total income tax expense	<u>725</u>	<u>311</u>	<u>725</u>	<u>311</u>

The effective tax rate for the current quarter ended 30 September 2007 and prior year's corresponding quarter ended 30 September 2006 were lower than the statutory tax rates principally due to lower tax rate of associates and certain income not taxable for tax purposes.

19. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties.

20. 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:

	As at
	30.09.2007
	RM'000
At cost	26,207
At carrying value / market value	<u>111,858</u>

21. Corporate Proposals

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

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

22. Borrowings

There were no borrowings and debt securities as at 30 September 2007.

23. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 20 November 2007.

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 2007 on 60,491,552 ordinary shares have been approved by the shareholders at the annual general meeting on 29 October 2007:

	Amount	Net dividend
	RM	per share
		Sen
First and final dividend of 2% less 27% taxation	883,177	1.4
Bonus dividend of 0.5% less 27% taxation	220,794	0.4
	<u>1,103,971</u>	<u>1.8</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 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.

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
Profit attributable to ordinary equity holders (RM'000)	<u>6,825</u>	<u>4,592</u>	<u>6,825</u>	<u>4,592</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>11.28</u>	<u>7.59</u>	<u>11.28</u>	<u>7.59</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 30 September 2007.

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 20 November 2007.