

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

**Condensed Consolidated Income Statement**  
**For the Six-Month Period Ended 31 December 2007**  
(The figures have not been audited)

|   | Note  | Individual Quarter<br>3 months ended |                      | Year to Date<br>6 months ended |                      |
|---|-------|--------------------------------------|----------------------|--------------------------------|----------------------|
|   |       | 31.12.2007<br>RM'000                 | 31.12.2006<br>RM'000 | 31.12.2007<br>RM'000           | 31.12.2006<br>RM'000 |
| <b>Revenue</b>  | 4     | 5,483                                | 3,886                | 10,631                         | 6,608                |
| Other Income  |       | 1                                    | -                    | 1                              | 2                    |
| Changes in Inventories  |       | 4                                    | (131)                | 41                             | (6)                  |
| Staff Costs   |       | (219)                                | (211)                | (478)                          | (396)                |
| Depreciation  |       | (6)                                  | (6)                  | (12)                           | (12)                 |
| Subcontract Labour Costs,<br>Fertilizer and Chemical Costs                    |       | (767)                                | (569)                | (1,725)                        | (1,294)              |
| Foreign Exchange Gain   |       | 2,789                                | 2,525                | 6,271                          | 2,405                |
| Other Expenses  |       | (434)                                | (195)                | (855)                          | (763)                |
| Write-back of Provision for Diminution<br>In Value of Investment in Associate |       | -                                    | (189)                | -                              | -                    |
| <b>Profit from Operations</b>   | 4     | 6,851                                | 5,110                | 13,874                         | 6,544                |
| Share of Profit of Associates   |       | 178                                  | 571                  | 705                            | 4,040                |
| <b>Profit before Taxation</b>   |       | 7,029                                | 5,681                | 14,579                         | 10,584               |
| Income tax expense  | 18    | (678)                                | (215)                | (1,403)                        | (526)                |
| <b>Net profit for the period</b>  |       | 6,351                                | 5,466                | 13,176                         | 10,058               |
| <b>Earnings per share<br/>attributable to equity<br/>holders:</b>             |       |                                      |                      |                                |                      |
| Basic (Sen)   | 26(a) | 10.50                                | 9.04                 | 21.78                          | 16.63                |
| Diluted (Sen)   | 26(b) | 10.50                                | 9.04                 | 21.78                          | 16.63                |

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 31 December 2007**

|   |      | (Unaudited)                   | (Audited)                    |
|---|------|-------------------------------|------------------------------|
|   | Note | As at<br>31.12.2007<br>RM'000 | As at<br>30.6.2007<br>RM'000 |
| <b>ASSETS</b>   |      |                               |                              |
| <b>Non-current assets</b>                                       |      |                               |                              |
| Property, plant and equipment                                   |      | 1,477                         | 1,488                        |
| Investment property   |      | 23,458                        | 24,465                       |
| Investment in associates  |      | 79,018                        | 83,644                       |
| Available-for-sale investments                                  | 20   | 107,096                       | 114,728                      |
| Deferred tax asset  |      | 135                           | 135                          |
|   |      | <u>211,184</u>                | <u>224,460</u>               |
| <b>Current assets</b>   |      |                               |                              |
| Inventories   |      | 48                            | 7                            |
| Trade and other receivables                                     |      | 1,301                         | 468                          |
| Cash and bank balances  |      | 132,121                       | 124,992                      |
|   |      | <u>133,470</u>                | <u>125,467</u>               |
| <b>TOTAL ASSETS</b>   |      | <u>344,654</u>                | <u>349,927</u>               |
| <b>EQUITY AND LIABILITIES</b>                                   |      |                               |                              |
| <b>Equity attributable to equity holders<br/>to the Company</b> |      |                               |                              |
| Share capital   |      | 60,492                        | 60,492                       |
| Reserves  |      | 274,878                       | 280,151                      |
|   |      | <u>335,370</u>                | <u>340,643</u>               |
| <b>Non-current liabilities</b>                                  |      |                               |                              |
| Retirement benefit obligations                                  |      | 394                           | 383                          |
| Deferred tax liability  |      | 5,779                         | 5,779                        |
|   |      | <u>6,173</u>                  | <u>6,162</u>                 |
| <b>Current liabilities</b>                                      |      |                               |                              |
| Trade and other payables  |      | 1,978                         | 2,710                        |
| Current tax payable   |      | 1,133                         | 412                          |
|   |      | <u>3,111</u>                  | <u>3,122</u>                 |
| <b>Total liabilities</b>  |      | <u>9,284</u>                  | <u>9,284</u>                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             |      | <u>344,654</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 Six-Month Period Ended 31 December 2007**

(The figures have not been audited)

|   | ← Non-Distributable →      |                               |                                    |  | ← Distributable →                                       |                              |                                |                           |
|---|----------------------------|-------------------------------|------------------------------------|--|---|------------------------------|--------------------------------|---------------------------|
|   | Share<br>Capital<br>RM'000 | Capital<br>Reserves<br>RM'000 | Fair<br>Value<br>Reserve<br>RM'000 | Foreign<br>Exchange<br>Fluctuation<br>Reserves<br>RM'000 | Cultivation<br>and<br>Replacement<br>Reserves<br>RM'000 | General<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>At 1 July 2007</b>                                 | 60,492                     | 67,007                        | 85,069                             | 4,131  | 7,183   | 11,000                       | 105,761                        | 340,643                   |
| Share of associated companies' reserves               | -                          | (3,597)                       | -                                  | -  | -   | -                            | -                              | (3,597)                   |
| Foreign currency translation                          | -                          | -                             | -                                  | (6,258)  | -   | -                            | -                              | (6,258)                   |
| Fair value loss                                       |                            |                               |                                    |  |   |                              |                                |                           |
| - Available-for-sale investments                      | -                          | -                             | (7,490)                            | -  | -   | -                            | -                              | (7,490)                   |
| Net income/(expense) recognised<br>directly in equity | -                          | (3,597)                       | (7,490)                            | (6,258)  | -   | -                            | -                              | (17,345)                  |
| Profit for the period                                 | -                          | -                             | -                                  | -  | -   | -                            | 13,176                         | 13,176                    |
| Total recognised income and<br>expense for the period | -                          | (3,597)                       | (7,490)                            | (6,258)  | -   | -                            | 13,176                         | (4,169)                   |
| Dividend  | -                          | -                             | -                                  | -  | -   | -                            | (1,104)                        | (1,104)                   |
| <b>At 31 December 2007</b>                            | 60,492                     | 63,410                        | 77,579                             | (2,127)  | 7,183   | 11,000                       | 117,833                        | 335,370                   |

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

(Incorporated in Malaysia)

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

**For the Six-Month Period Ended 31 December 2007**

(The figures have not been audited)

|  | ← Non-Distributable →      |                               |                                    |  | ← Distributable →                                       |                              |                                |                           |
|--|----------------------------|-------------------------------|------------------------------------|--|---|------------------------------|--------------------------------|---------------------------|
|  | Share<br>Capital<br>RM'000 | Capital<br>Reserves<br>RM'000 | Fair<br>Value<br>Reserve<br>RM'000 | Foreign<br>Exchange<br>Fluctuation<br>Reserves<br>RM'000 | Cultivation<br>and<br>Replacement<br>Reserves<br>RM'000 | General<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>At 1 July 2006</b>                              | 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            | -                          | 886                           | -                                  | -  | -   | -                            | -                              | 886                       |
| Foreign currency translation                       | -                          | -                             | -                                  | (5,577)  | -   | -                            | -                              | (5,577)                   |
| Fair value gain                                    |                            |                               |                                    |  |   |                              |                                |                           |
| - Available-for-sale investments                   | -                          | -                             | 14,311                             | -  | -   | -                            | -                              | 14,311                    |
| Net income/(expense) recognised                    |                            |                               |                                    |  |   |                              |                                |                           |
| directly in equity                                 | -                          | 886                           | 14,311                             | (5,577)  | -   | -                            | -                              | 9,620                     |
| Profit for the period                              | -                          | -                             | -                                  | -  | -   | -                            | 10,058                         | 10,058                    |
| Total recognised income and expense for the period | <u>-</u>                   | <u>886</u>                    | <u>14,311</u>                      | <u>(5,577)</u>   | <u>-</u>  | <u>-</u>                     | <u>10,058</u>                  | <u>19,678</u>             |
| Dividend   | -                          | -                             | -                                  | -  | -   | -                            | (871)                          | (871)                     |
| <b>At 31 December 2006</b>                         | <u>60,492</u>              | <u>51,546</u>                 | <u>83,111</u>                      | <u>7,025</u>   | <u>7,364</u>  | <u>11,000</u>                | <u>96,252</u>                  | <u>316,790</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 Six-Month Period Ended 31 December 2007**  
(The figures have not been audited)

|  | <b>6 months ended</b> |                       |
|--|-----------------------|-----------------------|
|  | <b>31.12.2007</b>     | <b>31.12.2006</b>     |
|  | <b>RM'000</b>         | <b>RM'000</b>         |
| Net cash generated from operating activities               | 2,623                 | 499                   |
| Net cash generated from investing activities               | 2,699                 | 2,278                 |
| Net cash used in financing activities                      | (1,104)               | (871)                 |
| Net increase in cash and cash equivalents                  | <u>4,218</u>          | <u>1,906</u>          |
| Effects of exchange rate changes                           | 2,911                 | (897)                 |
| 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><u>132,121</u></u> | <u><u>122,129</u></u> |

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

|                        | <b>As at</b>      | <b>As at</b>      |
|------------------------|-------------------|-------------------|
|                        | <b>31.12.2007</b> | <b>31.12.2006</b> |
|                        | <b>RM'000</b>     | <b>RM'000</b>     |
| Cash and bank balances | <u>132,121</u>    | <u>122,129</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”) :

| <b>FRS, Amendments to FRS and Interpretations</b>  | <b>Effective for financial periods beginning on or after</b> |
|--|--|
| 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 <sub>2004</sub> : 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)**

| <b>FRS, Amendments to FRS and Interpretations</b>   | <b>Effective for financial periods beginning on or after</b> |
|---|--|
| 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 <sub>2004</sub> - 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**

|                                | <b>6 months ended</b> |                   |
|--------------------------------|-----------------------|-------------------|
|                                | <b>31.12.2007</b>     | <b>31.12.2006</b> |
|                                | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>Segment Revenue</b>         |                       |                   |
| Plantation                     | 6,756                 | 3,539             |
| Investment                     | 3,875                 | 3,069             |
| Total                          | <u>10,631</u>         | <u>6,608</u>      |
| <b>Segment results</b>         |                       |                   |
| Plantation                     | 3,711                 | 985               |
| Investment                     | 10,952                | 6,243             |
|                                | 14,663                | 7,228             |
| Unallocated corporate expenses | (789)                 | (684)             |
| Profit from operations         | <u>13,874</u>         | <u>6,544</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 31 December 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**

The amount of dividends paid during the financial period ended 31 December 2007 were as follows:

In respect of the financial year ended 30 June 2007, as reported in the directors' report of that year:

|   | Amount<br>RM'000 | Net Dividend<br>per share<br>(Sen) |
|---|------------------|------------------------------------|
| First and final dividend of 2 less 27% taxation | 883              | 1.4                                |
| Bonus dividend of 0.5% less 27% taxation        | 221              | 0.4                                |
|   | <u>1,104</u>     | <u>1.8</u>                         |

**9. Debt and Equity Securities**

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



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

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

**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 31 December 2007.

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

There were no contingent liabilities or contingent assets as at 31 December 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 for the current quarter of RM5.48 million and RM10.6 million for the financial period ended 31 December 2007 were higher as compared to the corresponding quarter and period ended 31 December 2006. This was due to higher sales revenue and dividend income for the current quarter while the year-to-date's better performance was due to higher sales revenue, dividend and interest income.

The after-tax profits of RM6.35 million and RM13.18 million for the current quarter and financial year-to-date respectively were significantly higher as compared to last year's quarter of RM5.47 million and year-to-date of RM10.06 million. This was due to higher unrealised foreign exchange gain of RM2.79 million and RM6.27 million attained for the current quarter and year-to-date respectively as compared to last year's quarter of RM2.53 million and year-to-date of RM2.41 million. Share of associates' profit of RM705,000 for the financial period ended 31 December 2007 was lower as compared to RM4.04million for the corresponding period ended 31 December 2006.

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

For the quarter under review, the Group achieved a pre-tax profit of RM7.03 million as compared to the immediate preceding quarter's pre-tax profit of RM7.55 million. This was due to lower unrealised foreign exchange gain and share of associates' profit of RM178,000 as compared to the immediate preceding quarter's share of RM527,000.

**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 due to the recent jittery capital markets and fears of a global economic slowdown.

**17. Profit Forecast or Profit Guarantee**

There is no profit forecast and profit guarantee.

**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**

**18. Income Tax Expense**

|                          | <b>Individual Quarter</b> |                   | <b>Year-To-Date</b>   |                   |
|--------------------------|---------------------------|-------------------|-----------------------|-------------------|
|                          | <b>3 months ended</b>     |                   | <b>6 months ended</b> |                   |
|                          | <b>31.12.2007</b>         | <b>31.12.2006</b> | <b>31.12.2007</b>     | <b>31.12.2006</b> |
|                          | <b>RM'000</b>             | <b>RM'000</b>     | <b>RM'000</b>         | <b>RM'000</b>     |
| Current tax:             |                           |                   |                       |                   |
| Malaysian income tax     | 678                       | 215               | 1,398                 | 430               |
| Foreign tax              | -                         | -                 | 5                     | 96                |
| Total income tax expense | <u>678</u>                | <u>215</u>        | <u>1,403</u>          | <u>526</u>        |

The effective tax rate for the current quarter and financial period ended 31 December 2007 and prior year's corresponding quarter and financial period ended 31 December 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 and year-to-date.

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

|                                  | <b>As at</b>      |
|----------------------------------|-------------------|
|                                  | <b>31.12.2007</b> |
|                                  | <b>RM'000</b>     |
| At cost                          | 29,659            |
| At carrying value / market value | <u>107,096</u>    |

**21. Corporate Proposals**

There was no corporate proposal announced by the Company 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**

**22. Borrowings**

There were no borrowings and debt securities as at 31 December 2007.

**23. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 21 February 2008.

**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**

No interim dividend has been declared for the financial period ended 31 December 2007.

**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**

**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.

|   | <b>Individual Quarter</b> |                   | <b>Year-To-Date</b>   |                   |
|---|---------------------------|-------------------|-----------------------|-------------------|
|   | <b>3 months ended</b>     |                   | <b>6 months ended</b> |                   |
|   | <b>31.12.2007</b>         | <b>31.12.2006</b> | <b>31.12.2007</b>     | <b>31.12.2006</b> |
| Profit attributable to ordinary equity holders (RM'000) | <u>6,351</u>              | <u>5,466</u>      | <u>13,176</u>         | <u>10,058</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>10.50</u>              | <u>9.04</u>       | <u>21.78</u>          | <u>16.63</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 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 21 February 2008.