

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

**Condensed Consolidated Income Statement**  
**For the Year Ended 30 June 2008**  
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 12 months ended	
		30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
<b>Revenue</b>	4	5,789	5,196	20,694	14,678
Other Income		-	7	1	9
Changes in Inventories		(87)	(73)	44	(27)
Staff Costs		(261)	(232)	(1,010)	(825)
Depreciation		(6)	(6)	(23)	(23)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(662)	(474)	(2,963)	(2,159)
Foreign Exchange Gain		1,421	115	11,422	2,979
Other Expenses		(358)	(292)	(1,703)	(1,451)
Fair Value gain of investment property		4,678	8,505	4,678	8,505
Write-back of Provision for Diminution In Value of Investment in Associate		-	189	-	189
<b>Profit from Operations</b>	4	10,514	12,935	31,140	21,875
Share of Profit / (Loss) of Associates		1,237	(1,452)	5,273	1,112
<b>Profit before Taxation</b>		11,751	11,483	36,413	22,987
Income tax expense	18	(1,445)	(2,759)	(3,429)	(3,601)
<b>Net profit for the period</b>		10,306	8,724	32,984	19,386
<b>Earnings per share attributable to equity holders:</b>					
Basic (Sen)	26(a)	17.04	14.42	54.53	32.05
Diluted (Sen)	26(b)	17.04	14.42	54.53	32.05

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 March 2008**

		(Unaudited) As at <b>30.06.2008</b> RM'000	(Audited) As at <b>30.6.2007</b> RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,465	1,488
Investment property		27,820	24,465
Investment in associates		72,274	83,644
Available-for-sale investments	20	107,896	114,728
Deferred tax asset		135	135
		<u>209,590</u>	<u>224,460</u>
<b>Current assets</b>			
Inventories		51	7
Trade and other receivables		884	468
Cash and bank balances		141,963	124,992
		<u>142,898</u>	<u>125,467</u>
<b>TOTAL ASSETS</b>		<u>352,488</u>	<u>349,927</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders to the Company</b>			
Share capital		60,492	60,492
Reserves		283,092	280,151
		<u>343,584</u>	<u>340,643</u>
<b>Non-current liabilities</b>			
Provision for retirement benefit		175	383
Deferred tax liability		6,413	5,779
		<u>6,588</u>	<u>6,162</u>
<b>Current liabilities</b>			
Trade and other payables		1,907	2,710
Current tax payable		409	412
		<u>2,316</u>	<u>3,122</u>
<b>Total liabilities</b>		<u>8,904</u>	<u>9,284</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>352,488</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 Year Ended 30 June 2008**

(The figures have not been audited)

	← Non-Distributable →				← Distributable →			
	Share Capital RM'000	Capital Reserves RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Cultivation and Replacement Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>At 1 July 2007</b>	60,492	67,007	85,069	4,131	7,183	11,000	105,761	340,643
Transfer (to) / from reserves	-	-	-	-	(186)	-	186	-
Share of associated companies' reserves	-	(14,284)	-	-	-	-	-	(14,284)
Foreign currency translation	-	-	-	(8,012)	-	-	-	(8,012)
Fair value loss								
- Available-for-sale investments	-	-	(6,643)	-	-	-	-	(6,643)
Net income/(expense) recognised directly in equity	-	(14,284)	(6,643)	(8,012)	(186)	-	186	(28,939)
Profit for the period, representing total recognised income and expense for the year	-	-	-	-	-	-	32,984	32,984
Dividend	-	-	-	-	-	-	(1,104)	(1,104)
<b>At 30 June 2008</b>	60,492	52,723	78,426	(3,881)	6,997	11,000	137,827	343,584

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

(Incorporated in Malaysia)

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

**For the Year Ended 30 June 2008**

(The figures have not been audited)

	← Non-Distributable →				← Distributable →			
	Share Capital RM'000	Capital Reserves RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Cultivation and Replacement Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>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>
Transfer (to) / from reserves	-	-	-	-	(181)	-	181	-
Share of associated companies' reserves	-	16,347	-	-	-	-	-	16,347
Foreign currency translation	-	-	-	(8,471)	-	-	-	(8,471)
Fair value gain								
- Available-for-sale investments	-	-	16,269	-	-	-	-	16,269
Net income/(expense) recognised directly in equity	<u>-</u>	<u>16,347</u>	<u>16,269</u>	<u>(8,471)</u>	<u>(181)</u>	<u>-</u>	<u>181</u>	<u>24,145</u>
Profit for the period, representing total recognised income and expense for the year	-	-	-	-	-	-	19,386	19,386
Dividend	-	-	-	-	-	-	(871)	(871)
<b>At 30 June 2007</b>	<u>60,492</u>	<u>67,007</u>	<u>85,069</u>	<u>4,131</u>	<u>7,183</u>	<u>11,000</u>	<u>105,761</u>	<u>340,643</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 Year Ended 30 June 2008**  
(The figures have not been audited)

	<b>12 months ended</b>	
	<b>30.06.2008</b>	<b>30.06.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	3,577	3,152
Net cash generated from investing activities	7,194	3,696
Net cash used in financing activities	(1,104)	(871)
Net increase in cash and cash equivalents	<u>9,667</u>	<u>5,977</u>
Effects of exchange rate changes	7,304	(2,105)
Cash and cash equivalents at beginning of financial year	<u>124,992</u>	<u>121,120</u>
Cash and cash equivalents at end of financial year	<u>141,963</u>	<u>124,992</u>

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

	<b>As at</b>	<b>As at</b>
	<b>30.06.2008</b>	<b>30.06.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>141,963</u>	<u>124,992</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>12 months ended</b>	
	<b>30.06.2008</b>	<b>30.06.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	13,141	7,561
Investment	7,553	7,117
Total	<u>20,694</u>	<u>14,678</u>
<b>Segment results</b>		
Plantation	9,248	4,610
Investment	23,471	18,581
	<u>32,719</u>	<u>23,191</u>
Unallocated corporate expenses	(1,579)	(1,316)
Profit from operations	<u>31,140</u>	<u>21,875</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 year ended 30 June 2008.

**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 year ended 30 June 2008 were as follows:

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

	Amount RM'000	Net Dividend per share (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)**  
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**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 30 June 2008.

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

There were no contingent liabilities or contingent assets as at 30 June 2008.

**13. 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**

**14. Performance Review**

The Group's revenue for the current quarter of RM5.79 million and RM20.69 million for the financial year ended 30 June 2008 were higher as compared to the corresponding quarter and financial year ended 30 June 2007. This was due to higher crop sales for the current quarter while the year-to-date's better performance was due to higher crop sales and dividend income partially offset by the lower interest income.

The after-tax profit of RM10.31 million for the current quarter was higher than last year's quarter of RM8.72 million. This was due to higher unrealised foreign exchange gain and share of associates' result was a profit of RM1.24 million as compared to last year's loss of RM1.45 million. These were partially offset by the lower fair value gain of investment property.

As for the current financial year, the after-tax profit of RM32.98 million was significantly higher than RM19.39 million achieved during the corresponding year ended 30 June 2007. This was due to higher revenue, unrealised foreign exchange gain and share of associates' profit after offsetting lower fair value gain of investment property.

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

For the quarter under review, the Group achieved a pre-tax profit of RM11.75 million as compared to the immediate preceding quarter's pre-tax profit of RM10.08 million. This was due to higher dividend income and fair value gain of investment property partially offset by the lower unrealised exchange gain and share of associates' profit.

**16. Commentary on Prospects**

The prospect of the plantation performance for the next financial year ending 30 June 2009 is not expected to be good for the following reasons which will erode the profitability:-

- 1) Prices of Crude palm oil ("CPO") have recently dropped about 25% from the high in 2008
- 2) The windfall profit levy on CPO threshold at RM2,000 per ton to be imposed on the Estate and
- 3) Higher fuel, fertiliser, labour and recruitment costs

The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations due to the jittery capital markets and global economic slowdown.

**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. Profit Forecast or Profit Guarantee**

There is no profit forecast and profit guarantee.

**18. Income Tax Expense**

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.06.2008</b>	<b>30.06.2007</b>	<b>30.06.2008</b>	<b>30.06.2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	492	355	2,471	1,100
Foreign tax	-	332	5	428
	<u>492</u>	<u>687</u>	<u>2,476</u>	<u>1,528</u>
Over provision of Malaysian income tax in prior years	-	(479)	-	(478)
	<u>492</u>	<u>208</u>	<u>2,476</u>	<u>1,050</u>
Deferred taxation	953	2,551	953	2,551
Total income tax expense	<u>1,445</u>	<u>2,759</u>	<u>3,429</u>	<u>3,601</u>

The effective tax rate for the current quarter and financial year ended 30 June 2008 and prior year's corresponding quarter and financial year ended 30 June 2007 were lower than the statutory tax rates principally due to lower tax rate of associates and certain income not subject to tax.

**19. Sale of Unquoted Investments and Properties**

There were no sales of unquoted investments and properties.

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**20. 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 30.06.2008 RM'000</b>
At cost	29,659
At carrying value	107,896
At market value	<u>107,896</u>

**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 30 June 2008.

**23. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 28 August 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 year ended 30 June 2008.

**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. 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>12 months ended</b>	
	<b>30.06.2008</b>	<b>30.06.2007</b>	<b>30.06.2008</b>	<b>30.06.2007</b>
Profit attributable to ordinary equity holders (RM'000)	<u>10,306</u>	<u>8,724</u>	<u>32,984</u>	<u>19,386</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>17.04</u>	<u>14.42</u>	<u>54.53</u>	<u>32.05</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 June 2008.

**27. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 August 2008.