

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

**Condensed Consolidated Income Statement**

**For the Period Ended 30 September 2008**

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 3 months ended	
		30.09.2008 RM'000	30.09.2007 RM'000	30.09.2008 RM'000	30.09.2007 RM'000
<b>Revenue</b>	3	3,959	5,148	3,959	5,148
Other Income		-	-	-	-
Changes in Inventories		373	37	373	37
Staff Costs		(202)	(259)	(202)	(259)
Depreciation		(4)	(6)	(4)	(6)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(967)	(958)	(967)	(958)
Foreign Exchange (Loss) / Gain		(5,502)	3,482	(5,502)	3,482
Other Expenses		(782)	(421)	(782)	(421)
<b>(Loss) / Profit from Operations</b>	3	(3,125)	7,023	(3,125)	7,023
Share of Profit of Associates		2,582	527	2,582	527
<b>(Loss) / Profit before Taxation</b>		(543)	7,550	(543)	7,550
Income tax expense	17	(370)	(725)	(370)	(725)
<b>(Loss) / Profit for the Period</b>		(913)	6,825	(913)	6,825
<b>(Loss)/Earnings per share attributable to equity holders:</b>					
Basic (Sen)	25(a)	(1.51)	11.28	(1.51)	11.28
Diluted (Sen)	25(b)	(1.51)	11.28	(1.51)	11.28

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 2008**

	Note	(Unaudited) As at 30.09.2008 RM'000	(Audited) As at 30.6.2008 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,463	1,465
Investment property		29,458	27,820
Investment in associates		64,089	72,281
Available-for-sale investments	19	91,026	107,896
Deferred tax asset		135	135
		<u>186,171</u>	<u>209,597</u>
<b>Current assets</b>			
Inventories		424	51
Trade and other receivables		621	884
Cash and bank balances		143,363	141,963
		<u>144,408</u>	<u>142,898</u>
<b>TOTAL ASSETS</b>		<u>330,579</u>	<u>352,495</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders to the Company</b>			
Share capital		60,492	60,492
Reserves		261,471	283,099
		<u>321,963</u>	<u>343,591</u>
<b>Non-current liabilities</b>			
Provision for retirement benefit		180	175
Deferred tax liability		6,413	6,413
		<u>6,593</u>	<u>6,588</u>
<b>Current liabilities</b>			
Trade and other payables		2,020	1,907
Current tax payable		3	409
		<u>2,023</u>	<u>2,316</u>
<b>Total liabilities</b>		<u>8,616</u>	<u>8,904</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>330,579</u>	<u>352,495</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 Period Ended 30 September 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 2008</b>	60,492	54,475	78,426	(3,881)	6,997	11,000	136,082	343,591
Share of associated companies' reserves	-	(13,267)	-	-	-	-	-	(13,267)
Foreign currency translation	-	-	-	9,614	-	-	-	9,614
Fair value loss								
- Available-for-sale investments	-	-	(17,062)	-	-	-	-	(17,062)
Net income/(expense) recognised directly in equity	-	(13,267)	(17,062)	9,614	-	-	-	(20,715)
Loss for the period, representing total recognised income and expense for the period	-	-	-	-	-	-	(913)	(913)
<b>At 30 September 2008</b>	60,492	41,208	61,364	5,733	6,997	11,000	135,169	321,963

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

(Incorporated in Malaysia)

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

**For the Period Ended 30 September 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
Share of associated companies' reserves	-	(322)	-	-	-	-	-	(322)
Foreign currency translation	-	-	-	(1,742)	-	-	-	(1,742)
Fair value loss								
- Available-for-sale investments	-	-	(2,829)	-	-	-	-	(2,829)
Net expense recognised directly in equity	-	(322)	(2,829)	(1,742)	-	-	-	(4,893)
Profit for the period, representing total recognised income and expense for the period	-	-	-	-	-	-	6,825	6,825
<b>At 30 September 2007</b>	60,492	66,685	82,240	2,389	7,183	11,000	112,586	342,575

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 Period Ended 30 September 2008**  
(The figures have not been audited)

	<b>3 months ended</b>	
	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	589	788
Net cash generated from investing activities	1,015	1,633
Net increase in cash and cash equivalents	<u>1,604</u>	<u>2,421</u>
Effects of exchange rate changes	(204)	2,592
Cash and cash equivalents at beginning of financial year	<u>141,963</u>	<u>124,992</u>
Cash and cash equivalents at end of financial year	<u>143,363</u>	<u>130,005</u>

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

	<b>As at</b>	<b>As at</b>
	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<u>143,363</u>	<u>130,005</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)**  
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**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 2008.

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 30 June 2008 was not qualified.

**3. Segmental Information**

	3 months ended	
	30.09.2008	30.09.2007
	RM'000	RM'000
<b>Segment Revenue</b>		
Plantation	2,794	3,243
Investment	1,165	1,905
Total	<u>3,959</u>	<u>5,148</u>
<b>Segment results</b>		
Plantation	1,584	1,798
Investment	(4,375)	5,612
	<u>(2,791)</u>	<u>7,410</u>
Unallocated corporate expenses	(334)	(387)
(Loss) / Profit from operations	<u>(3,125)</u>	<u>7,023</u>

**4. 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 2008.

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

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

**5. Changes in Estimates**

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

**6. 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.

**7. Dividends Paid**

No dividend was paid since the last quarter.

**8. Debt and Equity Securities**

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

**9. Changes in Composition of the Group**

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

**10. 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 2008.

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

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

**12. 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**

**13. Performance Review**

The Group's revenue of RM3.96 million for the current quarter ended 30 September 2008 was lower by RM1.19 million as compared to the corresponding quarter ended 30 September 2007. This was due to lower crop sales, dividend and interest income.

For the current quarter, the Group suffered an after-tax loss of RM913,000 as compared to last year's quarter after-tax profit of RM6.83 million. This was due to unrealised foreign exchange loss of RM5.50 million as compared to the corresponding quarter's unrealised exchange gain of RM3.48 million. This was partially offset by higher share of associates' profit of RM2.58 million as compared to RM527,000 for the corresponding quarter.

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

For the quarter under review, the Group suffered a pre-tax loss of RM543,000 as compared to the immediate preceding quarter's pre-tax profit of RM10.01 million. The latter benefited from fair value gain of investment property of RM4.68 million while there was none in the current quarter. This shortfall was worsened by lower revenue and unrealised exchange loss of RM5.50 million as compared to the immediate preceding quarter's unrealised exchange gain of RM1.42 million. This was partially offset by share of associates' profit of RM2.58 million for the current quarter as compared to share of associates' loss of RM508,000 for the immediate preceding quarter.

**15. Commentary on Prospects**

The prospect of the plantation performance for the rest of the financial year ending 30 June 2009 is expected to be challenging for the following reasons:-

- 1) Prices of Crude palm oil ("CPO") have recently dropped by about 52% from March 2008 to October 2008;
- 2) The windfall profit levy on CPO threshold at RM2,000 per ton 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.

**16. 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**

**17. Income Tax Expense**

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	370	720	370	720
Foreign tax	-	5	-	5
Total income tax expense	<u>370</u>	<u>725</u>	<u>370</u>	<u>725</u>

The effective tax rate for the current quarter ended 30 September 2008 was higher than the statutory tax rate due to certain expenses were not deductible for tax purposes while the effective tax rate for prior year's corresponding quarter was lower due to lower tax rate of associates and certain income not taxable for tax purposes.

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

There were no sales of unquoted investments and properties.

**19. 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:

	<b>As at 30.09.2008 RM'000</b>
At cost	29,659
At carrying value	91,026
At market value	<u>91,026</u>

**20. 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**

**21. Borrowings**

There were no borrowings and debt securities as at 30 September 2008.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 27 November 2008.

**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 following dividends in respect of the financial year ended 30 June 2008 on 60,491,552 ordinary shares have been approved by the shareholders at the Annual General Meeting on 27 November 2008:

	<b>Amount RM</b>	<b>Net dividend per share Sen</b>
First and final dividend of 2% less 25% taxation	907,373	1.5
Bonus dividend of 2.5% less 25% taxation	<u>1,134,217</u>	<u>1.9</u>
	<u><u>2,041,590</u></u>	<u><u>3.4</u></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.

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>30.09.2008</b>	<b>30.09.2007</b>	<b>30.09.2008</b>	<b>30.09.2007</b>
(Loss)/Profit attributable to ordinary equity holders (RM'000)	<u>(913)</u>	<u>6,825</u>	<u>(913)</u>	<u>6,825</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>(1.51)</u>	<u>11.28</u>	<u>(1.51)</u>	<u>11.28</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 30 September 2008.

**26. 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 27 November 2008.