

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

Condensed Consolidated Income Statement

For the Period Ended 31 December 2008

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Year to Date 6 months ended	
		31.12.2008 RM'000	31.12.2007 RM'000	31.12.2008 RM'000	31.12.2007 RM'000
Revenue	3	3,037	5,483	6,996	10,631
Other Income		1	1	1	1
Changes in Inventories		132	4	505	41
Staff Costs		(267)	(219)	(469)	(478)
Depreciation		(4)	(6)	(8)	(12)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(266)	(767)	(1,233)	(1,725)
Foreign Exchange (Loss) / Gain		(1,215)	2,789	(6,717)	6,271
Other Expenses		(1,120)	(434)	(1,902)	(855)
(Loss) / Profit from Operations	3	298	6,851	(2,827)	13,874
Share of (Loss) / Profit of Associates		(1,842)	178	740	705
(Loss) / Profit before Taxation		(1,544)	7,029	(2,087)	14,579
Income tax expense	17	(107)	(678)	(477)	(1,403)
(Loss) / Profit for the Period		(1,651)	6,351	(2,564)	13,176
(Loss)/Earnings per share attributable to equity holders:					
Basic (Sen)	25(a)	(2.73)	10.50	(4.24)	21.78
Diluted (Sen)	25(b)	(2.73)	10.50	(4.24)	21.78

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 2008**

		(Unaudited) As at 31.12.2008 RM'000	(Audited) As at 30.6.2008 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,459	1,465
Investment property		29,620	27,820
Investment in associates		52,035	72,281
Available-for-sale investments	19	65,149	107,896
Deferred tax asset		135	135
		<u>148,398</u>	<u>209,597</u>
Current assets			
Inventories		556	51
Trade and other receivables		1,508	884
Cash and bank balances		140,511	141,963
Tax recoverable		443	-
		<u>143,018</u>	<u>142,898</u>
TOTAL ASSETS		<u>291,416</u>	<u>352,495</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders to the Company			
Share capital		60,492	60,492
Reserves		222,432	283,099
		<u>282,924</u>	<u>343,591</u>
Non-current liabilities			
Provision for retirement benefit		180	175
Deferred tax liability		6,413	6,413
		<u>6,593</u>	<u>6,588</u>
Current liabilities			
Trade and other payables		1,899	1,907
Tax payable		-	409
		<u>1,899</u>	<u>2,316</u>
Total liabilities		<u>8,492</u>	<u>8,904</u>
TOTAL EQUITY AND LIABILITIES		<u>291,416</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 31 December 2008**

(The figures have not been audited)

	← Non-Distributable →				← Distributable →			Total Equity RM'000
	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	
At 1 July 2008	60,492	54,475	78,426	(3,881)	6,997	11,000	136,082	343,591
Share of associated companies' reserves	-	(23,725)	-	-	-	-	-	(23,725)
Foreign currency translation	-	-	-	10,621	-	-	-	10,621
Fair value loss								
- Available-for-sale investments	-	-	(42,958)	-	-	-	-	(42,958)
Net income/(expense) recognised directly in equity	-	(23,725)	(42,958)	10,621	-	-	-	(56,062)
Loss for the period	-	-	-	-	-	-	(2,564)	(2,564)
Total recognised income and expense for the period	-	(23,725)	(42,958)	10,621	-	-	(2,564)	(58,626)
Dividends paid	-	-	-	-	-	-	(2,041)	(2,041)
At 31 December 2008	60,492	30,750	35,468	6,740	6,997	11,000	131,477	282,924

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

(Incorporated in Malaysia)

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

For the Period Ended 31 December 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
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	-	(3,597)	-	-	-	-	-	(3,597)
Foreign currency translation	-	-	-	(6,258)	-	-	-	(6,258)
Fair value loss								
- Available-for-sale investments	-	-	(7,490)	-	-	-	-	(7,490)
Net expense recognised								
directly in equity	-	(3,597)	(7,490)	(6,258)	-	-	-	(17,345)
Profit for the period	-	-	-	-	-	-	13,176	13,176
Total recognised income and expense for the period	-	(3,597)	(7,490)	(6,258)	-	-	13,176	(4,169)
Dividends paid	-	-	-	-	-	-	(1,104)	(1,104)
At 31 December 2007	60,492	63,410	77,579	(2,127)	7,183	11,000	117,833	335,370

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 31 December 2008
(The figures have not been audited)

	6 months ended	
	31.12.2008	31.12.2007
	RM'000	RM'000
Net cash (used in) / generated from operating activities	(1,172)	2,623
Net cash generated from investing activities	2,598	2,699
Net cash used in financing activities	(2,041)	(1,104)
Net (decrease) / increase in cash and cash equivalents	<u>(615)</u>	<u>4,218</u>
Effects of exchange rate changes	(837)	2,911
Cash and cash equivalents at beginning of financial period	<u>141,963</u>	<u>124,992</u>
Cash and cash equivalents at end of financial period	<u>140,511</u>	<u>132,121</u>

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

	As at	As at
	31.12.2008	31.12.2007
	RM'000	RM'000
Cash and bank balances	<u>140,511</u>	<u>132,121</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 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

	6 months ended	
	31.12.2008	31.12.2007
	RM'000	RM'000
Segment Revenue		
Plantation	4,233	6,756
Investment	2,763	3,875
Total	<u>6,996</u>	<u>10,631</u>
Segment results		
Plantation	2,007	3,711
Investment	(4,030)	10,952
	<u>(2,023)</u>	<u>14,663</u>
Unallocated corporate expenses	(804)	(789)
(Loss) / Profit from operations	<u>(2,827)</u>	<u>13,874</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 31 December 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 and year-to-date 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

The amount of dividends paid during the financial period ended 31 December 2008 were as follows:

In respect of the financial year ended 30 June 2008, as reported in the directors' report of that year:

	Amount RM'000	Net Dividend per share (Sen)
First and final dividend of 2% less 25% taxation	907	1.5
Bonus dividend of 2.5% less 25% taxation	1,134	1.9
	<u>2,041</u>	<u>3.4</u>

8. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and 6 months to-date.

9. 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

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 31 December 2008.

11. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 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)
(Incorporated in Malaysia)

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

13. Performance Review

The Group's revenue for the current quarter of RM3.04 million and RM7.0 million for the period ended 31 December 2008 were significantly lower as compared to the corresponding quarter and period ended 31 December 2007. Crop sales were lower due to lower tonnage harvested and lower CPO prices. Dividend and interest income were also lower.

The Group suffered after-tax losses of RM1.65 million and RM2.56 million for the current quarter and period-to-date respectively as compared to the after-tax profits of RM6.35 million and RM13.18 million achieved during the corresponding quarter and period ended 31 December 2007 respectively. This was due to unrealised foreign exchange losses of RM1.22 million and RM6.72 million suffered during the current quarter and period-to-date respectively. Unrealised exchange gain of RM2.79 million and RM6.27 million were recorded for last year's corresponding quarter and period-to-date respectively.

The associates suffered losses this current quarter and the Group's share of their losses was RM1.84 million as compared to the share of their profit of RM178,000 for last year's corresponding quarter. However, for period-to-date, the Group's share of associates' profit of RM740,000 was slightly higher than last year's corresponding period-to-date of RM705,000.

14. Comment on Material Change in Profit Before Taxation

For the quarter under review, the pre-tax loss of RM1.54 million was higher than the immediate preceding quarter's RM543,000. This was due to share of associates' result which was a loss of RM1.84 million as compared to a profit of RM2.58 million in the immediate preceding quarter. This shortfall was partially offset by lower unrealised foreign exchange loss of RM1.22 million as compared to the immediate preceding quarter's RM5.5 million.

15. Commentary on Prospects

The prospect of the plantation performance for the rest of the financial year ending 30 June 2009 is not expected to improve although the CPO prices have moved up slightly. Reasons being that the production will be lower due to the low cropping season and difficulty in recruiting foreign workers. However, this will be partially compensated by lower cost of production as prices of fertilisers and chemicals have eased slightly.

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.

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

16. Profit Forecast or Profit Guarantee

There is no profit forecast and profit guarantee.

17. Income Tax Expense

	Individual Quarter 3 months ended		Year-To-Date 6 months ended	
	31.12.2008 RM'000	31.12.2007 RM'000	31.12.2008 RM'000	31.12.2007 RM'000
Current tax:				
Malaysian income tax	107	678	477	1,398
Foreign tax	-	-	-	5
Total income tax expense	<u>107</u>	<u>678</u>	<u>477</u>	<u>1,403</u>

The effective tax rates for the current quarter and financial period ended 31 December 2008 were higher than the statutory tax rate due to certain expenses not deductible for tax purposes while the effective tax rate for prior year's corresponding quarter and financial period were 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 and year-to-date.

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

	As at 31.12.2008 RM'000
At cost	29,659
At carrying value	65,149
At market value	<u>65,149</u>

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

20. Corporate Proposals

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

21. Borrowings

There were no borrowings and debt securities as at 31 December 2008.

22. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 24 February 2009.

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

No interim dividend has been declared for the financial period ended 31 December 2008.

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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.

	Individual Quarter		Year-To-Date	
	3 months ended		6 months ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
(Loss)/Profit attributable to ordinary equity holders (RM'000)	<u>(1,651)</u>	<u>6,351</u>	<u>(2,564)</u>	<u>13,176</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>(2.73)</u>	<u>10.50</u>	<u>(4.24)</u>	<u>21.78</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 31 December 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 24 February 2009.