

SINDORA BERHAD (13418-K)
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2008

THE INTERIM FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS ON 29 AUGUST 2008

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2008

(The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	85,596	68,462	172,810	126,556
Cost of sales	(64,845)	(52,446)	(126,949)	(100,259)
Gross profit	20,751	16,016	45,861	26,297
Other income	3,364	1,589	4,119	3,795
Administrative and other expenses	(14,720)	(12,156)	(24,834)	(20,481)
Profit from operations	9,395	5,449	25,146	9,611
Share of profit after tax and Minority interests of associates	2,346	2,084	4,119	3,711
Finance costs	(2,250)	(1,504)	(4,578)	(2,719)
Profit before taxation	9,491	6,029	24,687	10,603
Income tax expense	(2,042)	(690)	(4,395)	(1,114)
Profit for the period	7,449	5,339	20,292	9,489
Attributable to:				
Shareholders of the Company	6,702	3,333	18,138	5,941
Minority interests	747	2,006	2,154	3,548
Profit for the period	7,449	5,339	20,292	9,489
Earnings per share attributable to shareholders of the Company				
Basic (sen)	6.98	3.53	18.89	6.29
Diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statements above should be read together with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET [1/2]

AS AT 30 JUNE 2008

[The figures have not been audited]

	As at 30 June 2008	As at 31 Dec 2007 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	229,845	228,689
Prepaid interest leased land	84,383	85,210
Plantation Development Expenditure	22,383	21,512
Investment properties	3,040	3,040
Investment in associates	22,275	17,518
Other investments	6,510	6,747
Intangible assets	28,636	29,172
Deferred tax assets	981	473
Total non-current assets	398,053	392,361
Current assets		
Inventories	18,051	10,694
Trade and other receivables	48,630	51,073
Tax recoverable	-	427
Assets classified as held for sale	5,485	14,862
Cash and bank balances	33,648	28,982
Total current assets	105,814	106,038
TOTAL ASSETS	503,867	498,399

The Condensed Consolidated Balance Sheets above should be read together with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET [2/2]

AS AT 30 JUNE 2008

[The figures have not been audited]

	As at 30 June 2008	As at 31 Dec 2007 (Audited)
	RM'000	RM'000
EQUITY AND LIABILITIES		
Share capital	96,000	96,000
Reserves	99,894	81,783
Equity attributable to shareholders of the Company	195,894	177,783
Minority interests	50,300	44,268
Total equity	246,194	222,051
Non-current liabilities		
Deferred taxation	24,282	23,906
Borrowings	151,493	157,908
Total non-current liabilities	175,775	181,814
Current liabilities		
Trade and other payables	50,542	50,267
Deferred income	333	333
Liabilities classified as held for sale	-	4,673
Borrowings	31,023	39,261
Total current liabilities	81,898	94,534
Total liabilities	257,673	276,348
TOTAL EQUITY AND LIABILITIES	503,867	498,399
Net Assets per Share attributable to shareholders of the Company (RM)	2.04	1.85

The Condensed Consolidated Balance Sheets above should be read together with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2007**

	Non-distributable					Distributable		Minority Interest	Total Equity
	Share Capital	Share Premium	Treasury Shares	Other Reserves	Exchange Reserve	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2007	96,000	11,107	(1,580)	25,432	51	34,037	165,047	33,043	198,090
Purchase of own shares:									
- Market price paid			(362)				(362)		(362)
Exchange difference on translation:									
- Financial statement of overseas subsidiaries					(133)		(133)		(133)
Acquisition of new subsidiary								455	455
Dividends paid			-				-	-	-
Net profit for the period						5,941	5,941	3,548	9,489
At 30 June 2007	96,000	11,107	(1,942)	25,432	(82)	39,978	170,493	37,046	207,539

The Condensed Consolidated Statement of Changes in Equity above should be read together with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2008**

	Non-distributable					Distributable		Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000		
At 1 January 2008	96,000	11,107	-	25,320	161	45,195	177,783	44,268	222,051
Exchange difference on translation:					(27)		(27)		(27)
Disposal of subsidiary								581	581
Issue of shares by subsidiaries							-	3,488	3,488
Dividends paid						-	-	(191)	(191)
Net profit for the year						18,138	18,138	2,154	20,292
At 30 June 2008	96,000	11,107	-	25,320	134	63,333	195,894	50,300	246,194

The Condensed Consolidated Statement of Changes in Equity above should be read together with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2008

[The figures have not been audited]

	Cumulative Quarter For the 6 months period ended 30 June 2008 RM'000	Cumulative Quarter For the 6 months period ended 30 June 2007 RM'000
Net cash generated from/(used in) operating activities	33,907	3,089
Net cash (used in)/generated from investing activities	(13,183)	(65,178)
Net cash (used in)/generated from financing activities	(16,058)	56,416
Net increase in cash and cash equivalents	4,666	(5,673)
Cash and cash equivalents at beginning of financial year	28,982	24,881
Effect of Exchange rate changes	-	-
Cash and cash equivalents at end of six months period	33,648	19,208

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

	30 June 2008 RM'000	30 June 2007 RM'000
Cash and bank balances	36,844	23,696
Bank overdraft	(3,196)	(4,488)
Cash and cash equivalents at end of six months period	33,648	19,208

The Condensed Consolidated Cash Flow Statements above should be read together with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

A. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation

This interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134 *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB).

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2007 annual financial statements.

The preparation of an interim financial report in conformity with FRS 134 *Interim Financial Reporting* requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2007 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all the information for full set of financial statements prepared in accordance with FRSs.

The financial information relating to the financial year ended 31 December 2007 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements other than those that have been restated as a result of the change in accounting policies. Statutory financial statements for the year ended 31 December 2007 are available from the Company's registered office.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following new / revised Financial Reporting Standards (FRS) effective for financial period beginning 1 January 2008 :

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

3. Seasonality or Cyclicalities of Operations

There were no seasonality or cyclicalities of the operations that have material impact on profitability of the Group.

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 6 months period ended 30 June 2008.

5. Changes in Accounting Estimates

There were no changes in accounting estimates that materially affect the current quarter results.

6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the period under review.

7. Dividends Paid

The Company had on 16 May 2008 declared a final dividend of 5% less tax amounting to RM3.55 million in respect of the financial year ended 31 December 2007 and was paid on 25 July 2008.

8. Carrying Amount of Re-valued Assets

The valuations of property, plant and equipment have been brought forward without any amendment from the financial statements for the year ended 31 December 2007.

9. Material Events Subsequent to the End of the Financial Period

There were no material events subsequent to the end of the financial period.

10. Segmental Reporting

Segmental information in respect of the Group's business segments for the 6 months period ended 30 June 2008:

	Intrapreneur Venture RM'000	Plantations And Mill RM'000	Consolidated Results RM'000
External sales	108,112	64,698	172,810
Gross profit	23,920	21,941	45,861
Other income	2,548	69	2,617
Administrative and other expenses	(15,724)	(3,872)	(19,596)
Profit from operations	10,744	18,138	28,882
Share of profit after tax and minority interest of associates	4,119	-	4,119
Finance cost	(4,578)	-	(4,578)
Segmental Profit	10,285	18,138	28,423
Unallocated expenses			(5,238)
Unallocated income			1,502
Profit before tax			24,687
 OTHER INFORMATION			
Segment assets	262,888	240,979	503,867
Segment liabilities	199,329	58,344	257,673
Depreciation / Amortisation	10,690	4,496	15,186

11. Effect of Changes in the Composition of the Group

There were no changes in the composition of the group during the quarter .

12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets during the current quarter.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

13. Review of the Performance of the Group

The consolidated pre-tax profit of the Group increased by 57.42 % from RM6.03 million in the second quarter 2007 to RM9.49 million in the same period 2008. This has been achieved on the back of increased consolidated revenue from RM68.46 million during second quarter 2007 to RM85.60 million this year. The improvement in the performance of the Group was attributed by the following reasons:

- (i) Plantation Business recorded a substantial increase in revenue by 115.36% from RM15.16 million in the second quarter 2007 to RM32.65 million in the same period this year. Production of CPO increased by 19.53 % from 5,980 tonnes in the previous year to 7,148 tonnes this year with higher average price of RM3,545/tonne from RM2,142/tonne previously. Overall, Plantation Business had contributed higher profit of RM5.63 million in the second quarter this year as compared to RM1.10 million in the same period last year.
- (ii) The Intrapreneur Venture Business managed to sustain its performance with revenues of RM52.95 million compared to RM53.30 million during the second quarter 2007 with a profit of RM8.22 million in the second quarter this year compared to RM 8.14 million previously.

(iii) Segmental Revenue and Profit Contribution

	Q2 2008	Q2 2007
	<u>RM'000</u>	<u>RM'000</u>
Segment Revenue :		
Intrapreneur Venture	52,950	53,303
Plantation and Palm oil mill operations	32,646	15,159
	<u>85,596</u>	<u>68,462</u>
Segment Profits :		
Intrapreneur Venture (Subsidiaries)	5,875	6,056
Plantation and Palm oil mill operations	5,633	1,100
	<u>11,508</u>	<u>7,156</u>
Share of profit after tax and minority interest of associates:	<u>2,346</u>	<u>2,084</u>

14. Material Changes in the Quarterly Results Compared to Immediate Preceding Quarter

The Group recorded 37.57% decrease in pre-tax profit of RM9.49 million in the second quarter this year compared to RM15.20 million in the preceding quarter. The lower pre-tax profit was mainly due to lower contribution from Plantation Business. The production of FFB decreased by 16.03% from 23,144 tonnes to only 19,435 tonnes in the second quarter.

15. Prospects for the Current Financial Year

The Group is expected to record better financial performance in 2008 due to business expansion and better performance of the existing Intrapreneur Venture companies. The Plantation Business is also expected to continue registering strong financial performance in tandem with higher productivity and CPO prices.

16. Variance of Actual Profit From Forecasted/Guaranteed Profit

The Company is not subjected to any profit forecast or profit guarantee requirement.

17. Taxation

There was no significant variation between the effective tax rate and statutory tax rate for the current quarter and financial period-to-date.

	Individual Quarter 3 months ended 30 June 2008 RM'000	Cumulative Quarter 6 months ended 30 June 2008 RM'000
Taxation based on profit for the period:		
Current	2,042	4,395
	2,042	4,395
Deferred taxation account:		
Opening balance	(23,433)	(23,433)
Recognised in the income statement	132	132
Closing balance	(23,301)	(23,301)
Deferred tax assets	981	981
Deferred tax liabilities	(24,282)	(24,282)
Closing balance	(23,301)	(23,301)

The effective tax rate for the current year was lower than the statutory tax rate principally due to certain income not being subjected to tax and the adoption of FRS 101 which requires the presentation of the net after tax results of associates.

18. Gain/(Loss) on Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and properties.

19. Quoted Securities

The particulars of purchases or disposals of quoted securities by the Company are as follows:-

- (i) Total purchases and disposals of quoted securities for the current quarter and financial year to date, and the

	Individual Quarter 3 months ended 30 June 2008 RM'000	Cumulative Quarter 6 months ended 30 June 2008 RM'000
Total purchases at cost	1,612	3,002
Total proceeds from disposals	1,379	3,117
Profit/(Loss) arising from the disposals	(29)	(107)

- (ii) Total investments in quoted securities as at the end of the period under review:

	30 June 2008 RM'000	30 June 2007 RM'000
Investments at cost	15,029	15,076
Investments at book value	2,510	1,682
Investments at market value	1,667	3,471

20. Status of Corporate Proposals Announced But Not Completed

- (i) On 22 March 2007, the Company had entered into a conditional Sale and Purchase cum Subscription Agreement (SPA) with Johari bin Ma'arof, Laili binti Ismail and Hayati binti Jalaludin and JM Permata Sdn Bhd (JMP) to:
- acquire 1,856,992 ordinary shares of RM1.00 each in JMP representing 46.4% of the existing issued and paid-up share capital of JMP for a purchase consideration of RM11,141,952 to be satisfied by cash; and
 - subscribe for a total of 1,166,667 new JMP shares upon completion of the proposed acquisition for a total subscription price of RM7.0 million. Upon completion, the Company's equity interest in JMP shall increase to approximately 58.52%.

The Company had on 11 September 2007 entered into a Supplemental Share Purchase cum Subscription Agreement to vary certain terms and conditions of the Principal Agreement, which among others, included the following:-

- acquire 2,632,600 ordinary shares of RM1.00 each in JMP representing 65.8% of the existing issued and paid-up share capital of JMP for a purchase consideration of RM10,530,400 or RM4.00 per share to be satisfied by cash; and
- subscribe for a total of RM750,000 new JMP shares upon completion of the Revised Proposed Acquisition for a total subscription price of RM3.0 million. Upon completion, the Company's equity interest in JMP shall increase to approximately 71.21%.

Subsequently, on 21 March 2008 the Company announced that the Company and the Vendors of JMP are currently in negotiation on the possible extension of the Fulfillment Period in view of certain Conditions Precedent have not been met as of to date.

On 15 July 2008, Kenanga Investment Bank Berhad on behalf of the Company announced that Sindora Berhad through its solicitors, had issued a notice of termination to the Vendors of JMP to terminate the SPA and Supplemental SPA due to non-fulfillment of conditions precedent and breach. Accordingly, the Proposals were terminated with effect thereof.

- (ii) The Company had on 27 December 2007 announced in respect of the conditional Sale & Purchase Agreement entered into between the Company and KFC Holdings (Malaysia) Bhd to dispose a piece of land (including all factory, buildings, structures, infrastructure and facilities built or erected on the land) measuring 20.533 acres that forms part of a leasehold industrial land (expiring on 30 January 2041) held under document of title HS(D) 2276, PTD 1384, Mukim Hulu Sungai Johor, Kota Tinggi, Johor for RM6.15 million cash. The proposal is expected to be completed by the end of 2008.

21. Group Borrowings

Total Group borrowings and debt securities as at the end of the 6 months period are as follows:

(RM'000)	Secured	Unsecured	Total
Short Term	23,523	7,500	31,023
Long Term	111,493	40,000	151,493
Total Borrowings	135,016	47,500	182,516

22. Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

23. Material Litigation

There was no material litigation since the last annual balance sheet date.

24. Dividend Declared/Recommended

There were no dividend declared or recommended during the quarter under review.

25. Earnings per Share**(i) Basic**

	3 months ended 30 June 2008	6 months ended 30 June 2008
Net profit attributable to ordinary shareholders (RM'000)	6,702	18,138
Weighted average number of ordinary shares in issue (units)	96,000,000	96,000,000
Basic EPS (sen / unit)	6.98	18.89
	3 months ended 30 June 2007	6 months ended 30 June 2007
Net profit attributable to ordinary shareholders (RM'000)	3,333	5,941
Weighted average number of ordinary shares in issue (units)	94,411,593	94,461,860
Basic EPS (sen / unit)	3.53	6.29

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(ii) Diluted

Diluted earnings per share is calculated by dividing the net profit for the quarter by the weighted average number of ordinary shares in issue after taking into consideration all dilutive potential ordinary shares in issue. Diluted earnings are not applicable.

BY ORDER OF THE BOARD

Jamalludin bin Kalam (LS02710)

Hana binti Ab. Rahim @ Ali (LS05694)

Company Secretaries

Johor Bahru

Date : 29 Aug 2008