
SINDORA BERHAD (13418-K)
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009

(The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	86,703	85,596	167,481	172,810
Cost of sales	(72,311)	(64,845)	(135,196)	(126,949)
Gross profit	14,392	20,751	32,285	45,861
Other income	1,390	3,364	2,811	4,119
Administrative expenses	(12,286)	(14,720)	(23,371)	(24,834)
Profit from operations	3,496	9,395	11,725	25,146
Share of profit after tax and minority interests of associates	2,157	2,346	4,172	4,119
Finance costs	(1,859)	(2,250)	(3,753)	(4,578)
Profit before taxation	3,794	9,491	12,144	24,687
Income tax expense	(272)	(2,042)	(1,142)	(4,395)
Profit for the period	3,522	7,449	11,002	20,292
Attributable to:				
Shareholders of the Company	2,598	6,702	8,419	18,138
Minority interests	924	747	2,583	2,154
Profit for the period	3,522	7,449	11,002	20,292
Earnings per share attributable to shareholders of the Company				
Basic (sen)	2.71	6.98	8.77	18.89
Diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statements above should be read together with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET [1/2]

AS AT 30 JUNE 2009

[The figures have not been audited]

	As at 30 June 2009	As at 31 Dec 2008 (Audited)
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant & equipment	255,245	228,248
Prepaid interest leased land	83,400	83,997
Plantation Development Expenditure	26,335	25,039
Investment properties	3,570	3,570
Investment in associates	21,792	10,563
Other investments	5,868	5,556
Intangible assets	27,567	28,102
Deferred tax assets	373	373
Total non-current assets	<u>424,150</u>	<u>385,448</u>
Current assets		
Inventories	14,416	10,976
Trade and other receivables	50,090	48,068
Assets classified as held for sale	19,850	20,866
Cash and bank balances	26,396	52,238
Total current assets	<u>110,752</u>	<u>132,148</u>
TOTAL ASSETS	<u><u>534,902</u></u>	<u><u>517,596</u></u>

The Condensed Consolidated Balance Sheets above should be read together with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET [2/2]

AS AT 30 JUNE 2009

[The figures have not been audited]

	As at 30 June 2009	As at 31 Dec 2008 (Audited)
	<u>RM'000</u>	<u>RM'000</u>
EQUITY AND LIABILITIES		
Share capital	96,000	96,000
Reserves	104,379	96,102
Equity attributable to shareholders of the Company	200,379	192,102
Minority interests	62,543	60,101
Total equity	262,922	252,203
Non-current liabilities		
Deferred taxation	23,436	24,335
Borrowings	145,702	139,543
Total non-current liabilities	169,138	163,878
Current liabilities		
Trade and other payables	65,125	66,034
Borrowings	37,717	35,481
Total current liabilities	102,842	101,515
Total liabilities	271,980	265,393
TOTAL EQUITY AND LIABILITIES	534,902	517,596
Net Assets per Share attributable to shareholders of the Company (RM)	2.09	2.00

The Condensed Consolidated Balance Sheets above should be read together with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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

	Non-distributable			Distributable		Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Exchange Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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:								
- Financial statement of overseas subsidiaries				(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 period					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 STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009**

	Non-distributable			Distributable		Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Exchange Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	96,000	11,107	25,321	(303)	59,977	192,102	60,101	252,203
Exchange difference on translation :								
- Financial statement of overseas subsidiaries				(1)		(1)		(1)
Dividends paid					(141)	(141)	(141)	(282)
Net profit for the year					8,419	8,419	2,583	11,002
At 30 June 2009	96,000	11,107	25,321	(304)	68,255	200,379	62,543	262,922

The Condensed Consolidated Statement of Changes in Equity above should be read together with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009
 [The figures have not been audited]

	Cumulative Quarter For the six months period ended 30 June 2009 RM'000	Cumulative Quarter For the six months period ended 30 June 2008 RM'000
Net cash generated from/(used in) operating activities	7,466	33,907
Net cash (used in)/generated from investing activities	(21,570)	(13,183)
Net cash (used in)/generated from financing activities	(11,738)	(16,058)
Net increase in cash and cash equivalents	(25,842)	4,666
Cash and cash equivalents at beginning of financial year	52,238	28,982
Effect of Exchange rate changes	-	-
Cash and cash equivalents at end of financial period	26,396	33,648

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

	30 June 2009 RM'000	30 June 2008 RM'000
Cash and bank balances	29,631	36,844
Bank overdraft	(3,235)	(3,196)
Cash and cash equivalents at end of financial period	26,396	33,648

The Condensed Consolidated Cash Flow Statements above should be read together with the audited financial statements for the year ended 31 December 2008 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 2008 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 2008 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 2008 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 2008 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 2008 except for the adoption of the following new / revised (FRS) effective for financial period beginning 1 January 2010 :

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segment
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

3. Seasonality or Cyclicity of Operations

There were no seasonality or cyclicity 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 2009.

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 Board of Directors of Sindora Berhad had on 30 December 2008 declared an interim dividend of 5% less tax for the amount of RM3.60 million in respect of the financial year ended 31 December 2008 and was paid on 26 February 2009.

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 2008.

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

The Company had on 15 May 2009 proposed to dispose 400,000 ordinary shares of RM1.00 each in Willis (Malaysia) Sdn Bhd, a 40% owned associate company of Sindora, for a total cash consideration of USD4,000,000 or equivalent to RM14,208,000. The proposed disposal has been completed on 15 July 2009.

10. Segmental Reporting

Segmental information in respect of the Group's business segments for the 6 months period ended 30 June 2009:

	Intrapreneur Venture	Plantations And Mill	Consolidated Results
	RM'000	RM'000	RM'000
Revenue	114,163	53,318	167,481
Segmental Profit	8,613	5,553	14,166
Unallocated expenses			(3,711)
Unallocated income			1,689
Profit before tax			12,144
OTHER INFORMATION			
Segment assets	307,661	227,241	534,902
Segment liabilities	269,404	2,576	271,980
Depreciation / Amortisation	11,365	2,790	14,155

11. Effect of Changes in the Composition of the Group

There were no effect of changes in the composition of the Group that materially affect the current quarter results.

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 Group registered a 1.29% increase in revenue from RM85.60 million in the second quarter of 2008 to RM86.70 million this year. Consolidated pre-tax profit of the Group, though, decreased by 60.03% from RM9.49 million to RM3.79 million. The lower profit was mainly due to lesser contribution from the Plantation Business which recorded a decrease in profit from RM8.51million in 2008 to RM1.52 million in the quarter under review. Revenue from Plantation and Palm oil mill operations decreased by 13.26 % from RM32.65 million previously to RM28.32 million this quarter. Average selling price of CPO also decreased from RM3,570/ tonne in the second quarter 2008 to RM2,333/ tonne this quarter.

Intrapreneur Venture Business's (IVB) performance has improved significantly. Revenue has increased by 10.27% from RM52.95 million in the second quarter 2008 to RM58.39 million in the current quarter under review. IVB profit increased by 40.11% from RM2.01 million during the second quarter of 2008 to RM2.82 million in the quarter under review.

IVB's improved performance is due to higher pre-tax profit registered by EA Technique (M) Sdn Bhd and Pro Office Solutions Sdn Bhd. Both companies managed to increase revenue and profit through the expansion of existing activities and addition of new clients.

Segmental Revenue and Profit Contribution

Results for the quarter ended	30 June 2009 RM'000	30 June 2008 RM'000
Segment Revenue :		
Intrapreneur Venture	58,387	52,950
Plantation and Palm oil mill operations	28,316	32,646
Total Revenue	86,703	85,596
Segment Profits :		
Intrapreneur Venture - Subsidiaries	2,819	2,012
- Associates (share of PAT and MI)	2,157	2,346
Plantation and Palm oil mill operations	1,518	8,511
Gross Profit	6,494	12,869

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

The Group recorded a 54.61% decrease in pre-tax profit, a reduction from RM8.35 million in the preceding quarter to RM3.79 million in the second quarter. The lower pre-tax profit was mainly due to lower contribution from Plantation Business.

15. Prospects for the Current Financial Year

The Group is expected to sustain its financial achievement in anticipation that both the Intrapreneur Venture and the Plantation businesses will continue registering stable performance in 2009. Intrapreneur Venture Business is expected to record better performance due to business expansion of the subsidiaries especially EA Technique (M) Sdn Bhd. Concurrently the Plantation Business is expected to maintain its performance in the second half of the year.

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 2009 RM'000	Cumulative Quarter 6 months ended 30 June 2009 RM'000
Taxation based on profit for the period:		
Current	272	1,142
	272	1,142
Deferred taxation account:		
Opening balance	(23,919)	(23,962)
Recognised in the income statement	856	899
Closing balance	(23,063)	(23,063)
Deferred tax assets	373	373
Deferred tax liabilities	(23,436)	(23,436)
Closing balance	(23,063)	(23,063)

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 the associate companies.

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:-

- (a) Total purchases and disposals of quoted securities for the current quarter and financial year to date, and the profit / (loss) arising are as follows:

	Individual Quarter 3 months ended 30 June 2009 RM'000	Cumulative Quarter 6 months ended 30 June 2009 RM'000
Total purchases at cost	1,321	1,539
Total proceeds from disposals	1,190	1,227
Profit/(Loss) arising from the disposals	96	101

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

	30 June 2009	30 June 2008
	RM'000	RM'000
Investments at cost	14,603	14,796
Investments at book value	1,107	2,277
Investments at market value	1,628	1,758

20. Status of Corporate Proposals Announced But Not Completed

- (i) 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 "KFCH" 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.

Subsequently, on 26 September 2008 the Company had mutually agreed with KFCH to further extend the condition precedents fulfillment period until 25 December 2008.

On 24 December 2008, the Company announced that it had mutually agreed with KFCH to further extend the condition precedents fulfillment period until 25 March 2009.

On 25 March 2009 the Company had mutually agreed with KFCH to further extend the condition precedents fulfillment period until 25 September 2009.

The proposal is expected to be completed before the end of 2009.

- (ii) The Company had on 27 February 2009 proposed a lease of up to twenty (20) acres or 871,200 square feet of an area of land within Tanjung Langsat Port identified as PLO 46, Tanjung Langsat Industrial Complex, Mukim of Sungai Tiram, District of Johor Bahru, State of Johor by Johor Shipyard and Engineering Sdn Bhd from Tanjung Langsat Port Sdn Bhd for a period of 30 years for a total lease rental of up to RM 21.78 million or RM 25 per square feet.

The Company had mutually agreed with all parties to the Agreement for Lease dated 29 May 2008 to :

- (a) Extend the condition precedents fulfillment period to 28 August 2009;
- (b) Extend the delivery of Plot 1 to 17 months from the date of the Agreement for Lease; and
- (c) Extend the delivery of Plot 2 to 21 months from the date of the Agreement for Lease.

The proposal is pending for approval by relevant authorities.

- (iii) On 3 March 2009, the Company had entered into a conditional Exchange of Land Agreement with Sime Darby Plantation Sdn Bhd (SDPSB), a wholly-owned subsidiary of Sime Darby Berhad.

In consideration for the payment by SDPSB to Sindora of a cash sum of RM 6.0 million, the Company agreed to exchange its oil palm estate known as Ladang Sungai Simpang Kiri with a land area of approximately 2,371.6564 hectares located in the Mukim of Chaah Bahru, District of Batu Pahat, State of Johor Darul Takzim for an oil palm estate known as Sungai Tawing Estate with a land area of approximately 2,225.7675 hectares located in the Mukim of Paloh, District of Kluang, State of Johor Darul Takzim, owned by SDPSB. The proposal is pending for approval by relevant authorities.

On 2 June 2009, the Company announced it had mutually agreed with SDPSB to further extend the conditions precedent fulfillment period until 2 August 2009.

On 31 July 2009, the Company announced it had mutually agreed with SDPSB to further extend the conditions precedent fulfillment period until 2 September 2009.

- (iv) On 6 May 2009, the Company had entered into a conditional Subscription & Shareholders Agreement with Orkim Sdn Bhd (Orkim) and its existing shareholders namely, Wan Izani Bin Wan Mahmood and Khoo Chin Yew for the proposed subscription of 7,524,019 new ordinary shares of RM1.00 each in Orkim equivalent to 22.04% of the enlarged issued and paid-up share capital of Orkim for a total consideration of RM 9,999,000 or approximately RM 1.33 per Orkim Share.
- Subsequently, on the same date, E.A. Technique (M) Sdn Bhd, a 51% - owned subsidiary of Sindora, had entered into a conditional Subscription and Share Purchase Agreement with Orkim and its existing shareholders namely, Wan Izani and Khoo for a total cash consideration of RM 16,649,172 as detailed below:-
 - proposed subscription of 3,475,981 new Orkim Shares equivalent to 9.24% of the enlarged issued and paid-up share capital of Orkim for a cash consideration of RM 6,501,000 representing approximately RM 1.87 per Orkim Share; and
 - proposed acquisition of 7,806,286 Orkim Shares equivalent to 20.75% of the enlarged issued and paid-up share capital of Orkim for a cash consideration of RM 10,148,172 representing approximately RM1.30 per Orkim Share. The proposal is expected to be completed by first quarter 2011.
 - On 29 May 2009, the Company announced that the Proposed Subscription has been completed on 28 May 2009.
 - On 3 August 2009, the Company announced that E.A.Technique had mutually agreed with Orkim,Wan Izani and Khoo to further extend the conditions precedent fulfillment period until 6 September 2009.
- (v) On 11 May 2009 the Company issued an offer letter to dispose its entire 35% shareholding in MM Vitaoils Sdn. Bhd.("MMV") to En Mazlan Muhammad ("MM") the controlling shareholder and Managing Director of MMV for a cash consideration of RM 13.5 million.On 12 May 2009, the Company received an acceptance from MM to acquire the entire 2,374,750 shares of RM1.00 each in MMV for RM13.5 million cash or approximately RM5.68 per share. The proposal is expected to be completed by 31 December 2009.
- (vi) The Company had on 15 May 2009 proposed to dispose 400,000 ordinary shares of RM1.00 each in Willis (Malaysia) Sdn Bhd, a 40% owned associate company of Sindora, for a total cash consideration of USD4,000,000 or equivalent to RM14,208,000.
- The Company entered into two conditional Share Sale Agreements with:-
- Willis Europe B.V. to dispose 190,000 ordinary shares of RM1.00 each in Willis for a total cash consideration of USD1,900,000 or equivalent to RM 6,748,800, and
 - Abdullah bin Md. Zahid to dispose 210,000 ordinary shares of RM1.00 each in Willis for a total cash consideration of USD2,100,000 or equivalent to RM 7,459,200.
- The proposed disposal was completed on 15 July 2009.

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	30,217	7,500	37,717
Long Term	105,702	40,000	145,702
Total Borrowing	135,919	47,500	183,419

22. Financial Instruments

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

23. Material Litigation

The Company as Plaintiff has made a claim against Johari bin Maarof, Laili Binti Ismail and Hayati Binti Jalaludin (collectively known as Defendants) at Johor Bahru High Court on 28 August 2008, for the return of deposit and part payment of purchase price totalling RM 2.7 million in respect of the Plaintiff's proposed investment in JM Permata Sdn Bhd (JMP) which was aborted due to non fulfillment of conditions precedent and breach of the related Agreement. The plaintiff has also made additional claims against the Defendants for legal and financial advisory fees totalling RM210,840.00 which were incurred pursuant to the transaction, litigation expenses and any other relief that the Court may deem fit. The Plaintiff's solicitors are of the view that the Company has a reasonably good case against the Defendants.

24. Dividend Declared/Recommended

- (i) The Board of Directors of Sindora Berhad had on 30 December 2008 declared an interim dividend of 5% less tax for the amount of RM3.60 million in respect of the financial year ended 31 December 2008 and was paid on 26 February 2009.
- (ii) The Board of Directors of Sindora Berhad had on 24 March 2009 proposed for shareholders approval to declare a final dividend of 5% less tax for the amount of RM3.60 million in respect of the financial year ended 31 December 2008 and was paid on 31 July 2009.

25. Earnings per Share

(a) Basic

	3 months ended 30 June 2009	6 months ended 30 June 2009
Net profit attributable to ordinary shareholders (RM'000)	2,598	6,702
Weighted average number of ordinary shares in issue (units)	96,000,000	96,000,000
Basic EPS (sen / unit)	2.71	6.98
	3 months ended 30 June 2008	6 months ended 30 June 2008
Net profit attributable to ordinary shareholders (RM'000)	8,419	18,138
Weighted average number of ordinary shares in issue (units)	96,000,000	96,000,000
Basic EPS (sen / unit)	8.77	18.89

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.

(b) 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