

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 30 September 2013
(The figures have not been audited)

	Note	Individual Quarter		Year to Date	
		3 months ended 30.09.13 RM'000	3 months ended 30.09.12 RM'000	3 months ended 30.09.13 RM'000	3 months ended 30.09.12 RM'000
Revenue	4	3,209	2,661	3,209	2,661
Other Income		2	1	2	1
Changes in inventories		599	119	599	119
Staff costs		(169)	(270)	(169)	(270)
Depreciation		(5)	(7)	(5)	(7)
Subcontract labour costs, fertilizer and chemical costs		(496)	(933)	(496)	(933)
Foreign exchange gain		965	2,355	965	2,355
Other expenses		(1,243)	(587)	(1,243)	(587)
Profit from operations	4	2,862	3,339	2,862	3,339
Share of profit of associates		2,244	1,583	2,244	1,583
Profit before tax		5,106	4,922	5,106	4,922
Income tax expense	21	(299)	(168)	(299)	(168)
Profit after tax		4,807	4,754	4,807	4,754
<u>Other Comprehensive Income</u>					
Available-for-sale investments:					
Gain on fair value changes		8,079	16,011	8,079	16,011
Foreign currency translation		4,556	(6,897)	4,556	(6,897)
Share of other comprehensive income of associates		1,159	4,178	1,159	4,178
Other comprehensive income for the period, net of tax		13,794	13,292	13,794	13,292
Total comprehensive income for the period		18,601	18,046	18,601	18,046
Earnings per share attributable to equity holders					
Basic (Sen)	26(a)	7.95	7.86	7.95	7.86
Diluted (Sen)	26(b)	7.95	7.86	7.95	7.86

The consolidated statement of comprehensive income 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)

Consolidated Statement of Financial Position
As at 30 September 2013

	(Unaudited) As at 30.09.13 RM'000	(Audited) As at 30.06.13 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	865	870
Biological assets	549	549
Investment property	31,530	30,736
Investment in associates	91,036	86,256
Available-for-sale investments	150,203	141,491
Deferred tax asset	53	53
	<u>274,236</u>	<u>259,955</u>
Current assets		
Inventories	626	27
Trade and other receivables	633	373
Prepayments	66	88
Tax recoverable	238	492
Cash and bank balances	137,820	134,257
	<u>139,383</u>	<u>135,237</u>
TOTAL ASSETS	<u>413,619</u>	<u>395,192</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	60,492	60,492
Reserves	350,703	332,102
	<u>411,195</u>	<u>392,594</u>
Non-current liabilities		
Provision for retirement benefits	255	248
Deferred tax liability	625	609
	<u>880</u>	<u>857</u>
Current liabilities		
Trade and other payables	1,325	1,572
Tax payable	219	169
	<u>1,544</u>	<u>1,741</u>
Total liabilities	<u>2,424</u>	<u>2,598</u>
TOTAL EQUITY AND LIABILITIES	<u>413,619</u>	<u>395,192</u>

The consolidated statement of financial position 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)

**Consolidated Statement of Changes in Equity
For the Financial Period Ended 30 September 2013**

(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
Opening balance at 1 July 2013	60,492	66,098	88,152	(6,431)	5,956	11,000	167,327	392,594
Total comprehensive income for the period	-	1,159	8,079	4,556	-	-	4,807	18,601
Closing balance at 30 September 2013	<u>60,492</u>	<u>67,257</u>	<u>96,231</u>	<u>(1,875)</u>	<u>5,956</u>	<u>11,000</u>	<u>172,134</u>	<u>411,195</u>
Opening balance at 1 July 2012	60,492	73,237	65,907	(5,512)	5,956	11,000	156,219	367,299
Total comprehensive income / (loss) for the period	-	4,178	16,011	(6,897)	-	-	4,754	18,046
Closing balance at 30 September 2012	<u>60,492</u>	<u>77,415</u>	<u>81,918</u>	<u>(12,409)</u>	<u>5,956</u>	<u>11,000</u>	<u>160,973</u>	<u>385,345</u>

The 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)

Consolidated Statement of Cash Flows
For the Financial Period Ended 30 September 2013
(The figures have not been audited)

	3 months period	
	30.09.13	30.09.12
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	5,106	4,922
Adjustments for:		
Depreciation	5	7
Provision for retirement benefit	7	7
Unrealised foreign exchange gain	(965)	(2,355)
Dividend income	(1,143)	(431)
Interest income	(250)	(192)
Share of profit of associates	(2,244)	(1,583)
	<hr/>	<hr/>
Operating cash flows before working capital changes	516	375
Receivables	(225)	(142)
Prepayments	22	19
Inventories	(599)	(119)
Payables	(247)	(182)
	<hr/>	<hr/>
Cash flows used in operations	(533)	(49)
Taxes paid	-	(436)
	<hr/>	<hr/>
Net cash flows used in operating activities	<u>(533)</u>	<u>(485)</u>
INVESTING ACTIVITIES		
Dividends received	1,140	431
Interest received	218	163
	<hr/>	<hr/>
Cash flows from investing activities	<u>1,358</u>	<u>594</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	825	109
EFFECTS OF EXCHANGE RATE CHANGES	2,738	(468)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<hr/>	<hr/>
	134,257	131,767
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>137,820</u></u>	<u><u>131,408</u></u>

The consolidated statement of cash flows 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 on a historical cost basis, except for freehold land included within property, plant and equipment, investment properties and available-for-sale investments that have been measured at their fair values.

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.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2013. 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 2013.

2. Significant accounting policies

Except as described below, the significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2013.

(a) Adoption of New and Revised FRSs, IC Interpretations and Amendments to FRS

FRSs, Amendments to FRS and IC Interpretations

FRS 10 Consolidated Financial Statements

FRS 11 Joint Arrangements

FRS 12 Disclosure of interests in Other Entities

FRS 13 Fair Value Measurement

FRS 119 Employee Benefits

FRS 127 Separate Financial Statements

FRS 128 Investment in Associate and Joint Ventures

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Amendments to FRS 1 Government Loans

Amendments to FRS 7: Disclosures – Offsetting Financial Assets and
Financial Liabilities

Amendments to FRS 10, FRS 11 and FRS 12 Consolidated Financial Statements,
Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance
Improvement to FRSs (2012)

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

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant accounting policies

(a) Adoption of New and Revised FRSs, IC Interpretations and Amendments to FRS(cont'd)

The adoption of the new FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial statements commencing on 1 July 2013 does not result in any significant financial position, results and presentation of financial statements of the Group.

(b) Revised FRS and IC Interpretation issued and not yet effective

The Group has not early adopted the following revised FRS and IC Interpretation which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

	Effective date for financial periods beginning on or after
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

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

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant Accounting Policies (cont'd)

(b) Revised FRS and IC Interpretation issued and not yet effective (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2016. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively against opening retained earnings.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2013 was not qualified.

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

Part A - Explanatory Notes Pursuant to FRS 134

4. Segmental Information

	3 months ended	
	30.09.13	30.09.12
	RM'000	RM'000
Segment Revenue		
Plantation	1,817	2,038
Investment	1,392	623
Total	<u>3,209</u>	<u>2,661</u>
Segment results		
Plantation	1,042	853
Investment	3,541	2,940
	<u>4,583</u>	<u>3,793</u>
Unallocated corporate expenses	(1,721)	(454)
Profit from operations	<u>2,862</u>	<u>3,339</u>
Segment assets		
Plantation	49,941	46,083
Investment	363,625	348,100
	<u>413,566</u>	<u>394,183</u>
Unallocated corporate asset	53	35
Total assets	<u>413,619</u>	<u>394,218</u>

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 period ended 30 September 2013.

6. Changes in Estimates

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

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
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Part A - Explanatory Notes Pursuant to FRS 134

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

No dividend was paid since the last quarter.

9. Debt and Equity Securities

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

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 September 2013.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2013.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
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Part A - Explanatory Notes Pursuant to FRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000	RM'000	RM'000	RM'000
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	75	79	75	79
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	144	120	144	120
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	17	15	17	15
Share of corporate advisory fee payable to Kuchai Development Berhad, a company in which a director, Lee Chung-Shih, has an interest (non-recurrent)	105	-	105	-
Share of corporate advisory fee payable to Kluang Rubber Company (Malaya) Berhad, a company in which a director, Lee Chung-Shih, has an interest (non-recurrent)	15	-	15	-

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Part A - Explanatory Notes Pursuant to FRS 134

14. Subsequent Events

On 4 November 2013, the Company announced that its Dividend Reinvestment Scheme with the listing of and quotation for 5,841,093 new ordinary shares of RM1.00 on the Main Market of Bursa Malaysia Securities Berhad and this was completed on 6 November 2013.

15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.09.13				
Available-for-sale financial assets	<u>131,795</u>	<u>18,408</u>	<u>-</u>	<u>150,203</u>
30.06.13				
Available-for-sale financial assets	<u>124,547</u>	<u>16,944</u>	<u>-</u>	<u>141,491</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current interim financial period and the comparative period. There were no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

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**

16. Performance Review

The Group's revenue achieved for the 1st quarter of financial year ending 30 June 2014 was RM3.21 million. This was higher than the revenue of RM2.66 million reported a year ago, mainly due to higher dividend and interest income. Crop sales was lower despite a 7% increase in the production of fresh fruit bunches ("FFB") as FFB prices have fallen by about 20%.

For the current quarter ended 30 September 2013, the Group reported an after-tax profit of RM4.81 million which was higher than the profit of RM4.75 million reported a year ago despite the unrealised exchange gain of RM965,000 was lower than the corresponding quarter's RM2.36 million. This was due to:-

- 1) Higher dividend and interest income.
- 2) Lower operating expenses were incurred.
- 3) Share of profit of associates of RM2.24 million for the current quarter was higher than the profit of RM1.58 million for the quarter ended 30 September 2012.

**17. Comment on Material Change in Profit Before Taxation for the Current Quarter as
Compared with the Immediate Preceding Quarter**

For the quarter under review, the Group's revenue of RM3.21 million was lower than the immediate preceding quarter of RM4.29 million despite higher crop sales and interest income. This was mainly due to dividend income of RM1.14 million was received as compared to the receipt of RM2.49 million during the immediate preceding quarter ended 30 June 2013.

The Group reported a pre-tax profit of RM5.11 million for the current quarter which was significantly higher than the immediate preceding quarter's RM717,000 despite the recognition of the fair value gain of RM1.44 million arising from the revaluation of its investment property in the immediate preceding quarter while there was none for the current quarter. This was due to:-

- 1) The unrealised foreign exchange difference was a gain of RM965,000 for the current quarter while the immediate preceding quarter was a loss of RM863,000.
- 2) Share of associates' result was a profit of RM2.24 million for the current quarter while it was a loss of RM2.30 million for the immediate preceding 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**

18. Commentary on Prospects

For the rest of the financial year ending 30 June 2014, the Group's production of FFB is expected to increase. However, palm trees of different age group will respond differently to the climatic changes.

The price of CPO is expected to remain at current levels despite the main palm oil producer Indonesia has been encouraging the use of bio-diesel. The conversion of CPO to bio-diesel depends very much on the price of crude petroleum.

The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations.

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit before tax

Profit for the year is arrived after charging/(crediting):

	Individual Quarter		Year-To-Date	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000	RM'000	RM'000	RM'000
Interest income	(250)	(187)	(250)	(192)
Other income including investment income	(1,143)	(1,410)	(1,145)	(431)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	5	8	5	7
Provision for and write off of receivables	n/a	n/a	n/a	n/a
Provision for and write off of inventories	n/a	n/a	n/a	n/a
Gain or loss on disposal of quoted or unquoted investments or properties	n/a	n/a	n/a	n/a
Impairment of assets	n/a	n/a	n/a	n/a
Foreign exchange (gain) / loss	(965)	185	(965)	(2,355)
(Gain) / Loss on derivatives	n/a	n/a	n/a	n/a
Exceptional items	-	-	-	-

n/a : Not applicable

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**

21. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	254	168	254	168
Foreign income tax	45	-	45	-
Total income tax expense	<u>299</u>	<u>168</u>	<u>299</u>	<u>168</u>

The effective tax rate for the current quarter and last year's corresponding quarter were lower than the statutory tax rate applicable in Malaysia as certain income are not subject to tax.

22. Corporate Proposals

On 22 March 2013, the Company announced the proposed Dividend Reinvestment Scheme ("DRS") that will provide shareholders the option to elect to reinvest in whole or in part of their cash dividend which includes interim, final, special or any other cash dividend in new ordinary share(s) of RM1.00 each in the Company.

The Company's shareholders approved the proposed DRS at the Extraordinary General Meeting held on 3 July 2013.

On 19 September 2013, the Company announced that the DRS will be implemented for the special dividend of 35.53 sen per ordinary share of RM1.00 each less 25% income tax in respect of the financial year ended 30 June 2013 which was paid on 4 November 2013. The Company also announced that the issue price of the new shares to be issued pursuant to the DRS for the special dividend was fixed on the same day at RM2.48 per new share. On 6 November 2013, 5,841,093 new shares were issued and listed.

23. Borrowings

There were no borrowings and debt securities as at 30 September 2013.

24. Changes in Material Litigation

There was no pending material litigation as at the date of the issue of this quarterly report.

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**

25. Dividend Payable

On 19 September 2013, the Company announced a special dividend of 35.53 sen per ordinary share less 25% income tax, totalling RM16,119,486 in respect of the financial year ended 30 June 2013 on 60,491,552 ordinary shares. This was paid on 4 November 2013. (2012: Nil).

The following dividends in respect of the financial year ended 30 June 2013 on 66,332,645 ordinary shares have been approved by the shareholders at the Annual General Meeting on 28 November 2013:

	Amount	Net dividend per share
	RM	Sen
Final dividend of 2% less 25% taxation	994,990	1.50
Bonus dividend of 0.5% less 25% taxation	248,747	0.38
	<u>1,243,737</u>	<u>1.88</u>

26. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the year.

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.13	30.09.12	30.09.13	30.09.12
Profit attributable to ordinary equity holders (RM'000)	<u>4,807</u>	<u>4,754</u>	<u>4,807</u>	<u>4,754</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>7.95</u>	<u>7.86</u>	<u>7.95</u>	<u>7.86</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 September 2013.

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**

27. Disclosure of Realised and Unrealised Profits / (Losses)

The disclosure of realised and unrealised profits mentioned above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

The breakdown of retained profits of the Group, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	As at 30.09.13 RM'000	As at 30.06.13 RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	126,934	125,343
- Unrealised	21,820	18,717
	148,754	144,060
Total share of retained profits from associated companies:		
- Realised	37,381	35,137
- Unrealised	1,470	1,470
	38,851	36,607
	187,605	180,667
Less: Consolidation adjustments	(15,471)	(13,340)
	<u>172,134</u>	<u>167,327</u>

28. 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 November 2013.