

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 30 September 2014

(The figures have not been audited)

	Note	Individual Quarter		Year to Date	
		3 months ended		3 months ended	
		30.09.14	30.09.13	30.09.14	30.09.13
		RM'000	RM'000	RM'000	RM'000
Revenue	4	2,776	3,209	2,776	3,209
Other Income		2	2	2	2
Changes in inventories		185	599	185	599
Staff costs		(168)	(169)	(168)	(169)
Depreciation		(4)	(5)	(4)	(5)
Subcontract labour costs, fertilizer and chemical costs		(1,074)	(496)	(1,074)	(496)
Foreign exchange (loss) / gain		(1,263)	965	(1,263)	965
Other expenses		(896)	(1,243)	(896)	(1,243)
(Loss) / Profit from operations	4	(442)	2,862	(442)	2,862
Share of profit of associates		5,420	2,244	5,420	2,244
Profit before tax		4,978	5,106	4,978	5,106
Income tax expense	21	(217)	(299)	(217)	(299)
Profit after tax		4,761	4,807	4,761	4,807
<u>Other Comprehensive Income</u>					
Available-for-sale investments:					
Gain on fair value changes		9,348	8,079	9,348	8,079
Foreign currency translation		3,782	4,556	3,782	4,556
Share of other comprehensive (loss) / of associates		(3,212)	1,159	(3,212)	1,159
Other comprehensive income for the period, net of tax		9,918	13,794	9,918	13,794
Total comprehensive income for the period		14,679	18,601	14,679	18,601
Earnings per share attributable to equity holders					
Basic (Sen)	26(a)	7.18	7.95	7.18	7.95
Diluted (Sen)	26(b)	7.18	7.95	7.18	7.95

The consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

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

(Incorporated in Malaysia)

Consolidated Statement of Financial Position**As at 30 September 2014**

	(Unaudited) As at 30.09.14 RM'000	(Audited) As at 30.06.14 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,073	1,077
Biological assets	549	549
Investment property	38,352	37,599
Investment in associates	92,126	88,790
Available-for-sale investments	185,022	175,126
Deferred tax asset	53	53
	<u>317,175</u>	<u>303,194</u>
Current assets		
Inventories	243	58
Trade and other receivables	910	506
Prepayments	73	91
Tax recoverable	10	-
Cash and bank balances	139,435	139,049
	<u>140,671</u>	<u>139,704</u>
TOTAL ASSETS	<u>457,846</u>	<u>442,898</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	66,333	66,333
Reserves	388,073	373,394
	<u>454,406</u>	<u>439,727</u>
Non-current liabilities		
Provision for retirement benefits	278	271
Deferred tax liability	1,500	1,500
	<u>1,778</u>	<u>1,771</u>
Current liabilities		
Trade and other payables	1,612	1,368
Tax payable	50	32
	<u>1,662</u>	<u>1,400</u>
Total liabilities	<u>3,440</u>	<u>3,171</u>
TOTAL EQUITY AND LIABILITIES	<u>457,846</u>	<u>442,898</u>

The consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the 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 2014**

(The figures have not been audited)

	← Non-Distributable →					← Distributable →				
	Share Capital RM'000	Share Premium 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 2014	66,333	8,645	67,732	120,461	(4,589)	5,956	11,000	164,189	439,727	-
Total comprehensive income for the period	-	-	(3,212)	9,348	3,782	-	-	4,761	14,679	
Closing balance at 30 September 2014	66,333	8,645	64,520	129,809	(807)	5,956	11,000	168,950	454,406	
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	60,492	-	67,257	96,231	(1,875)	5,956	11,000	172,134	411,195	

The consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the 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 2014
(The figures have not been audited)

	3 months period	
	30.09.14	30.09.13
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	4,978	5,106
Adjustments for:		
Depreciation	4	5
Provision for retirement benefit	7	7
Unrealised foreign exchange loss / (gain)	1,263	(965)
Dividend income	(438)	(1,143)
Interest income	(338)	(250)
Share of profit of associates	(5,420)	(2,244)
	<hr/>	<hr/>
Operating cash flows before working capital changes	56	516
Receivables	(314)	(225)
Prepayments	18	22
Inventories	(185)	(599)
Payables	244	(247)
	<hr/>	<hr/>
Cash flows used in operations	(181)	(533)
Taxes paid	(209)	-
	<hr/>	<hr/>
Net cash flows used in operating activities	<u>(390)</u>	<u>(533)</u>
INVESTING ACTIVITIES		
Dividends received	442	1,140
Interest received	247	218
	<hr/>	<hr/>
Cash flows from investing activities	<u>689</u>	<u>1,358</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	299	825
EFFECTS OF EXCHANGE RATE CHANGES	87	2,738
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	139,049	134,257
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>139,435</u></u>	<u><u>137,820</u></u>

The consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the 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 2014. 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 2014.

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 2014.

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

FRSs, Amendments to FRS and IC Interpretations

Amendment to FRS 101 (Improvements to FRSs-2012)
Amendment to FRS 116 (Annual Improvements to FRSs 2010-2012 Cycle)
Amendment to FRS 132 (Improvements to FRSs -2012)
Amendment to FRS 134 (Improvements to FRSs -2012)
Amendments to FRS 132: Offsetting Financial Assets and Financial
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies
Amendments to FRS 119: Defined Benefit Plans Employee Contributions
Annual Improvements to FRSs 2010-2012 cycle
Annual Improvements to FRSs 2011-2013 cycle

The adoption of the new FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial statements commencing on 1 July 2014 does not result in any significant effect on the financial position, results and presentation of financial statements of the Group.

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

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
FRS 14 Regulatory Deferral Accounts	1 January 2016
Clarification of Acceptance Methods of Depreciation and Amortisation (Amortisation to FRS 116 and FRS 138: Property, Plant and Equipment and Intangible Assets)	1 January 2016
Amendments to FRS 11: Joint Arrangements	1 January 2016
FRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018

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.

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 and may in the alternative, apply Financial Reporting Standards ("FRS") as its financial reporting framework until the MFRS is mandatory for annual periods beginning on or after 1 January 2017.

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) (cont'd)

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 when the MFRS Framework is mandated by MASB. 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 2014 was not qualified.

4. Segmental Information

	3 months ended	
	30.09.14	30.09.13
	RM'000	RM'000
Segment Revenue		
Plantation	1,998	1,817
Investment	778	1,392
Total	<u>2,776</u>	<u>3,209</u>
Segment results		
Plantation	618	1,042
Investment	(560)	3,541
	58	4,583
Unallocated corporate expenses	(500)	(1,721)
(Loss) / Profit from operations	<u>(442)</u>	<u>2,862</u>
Segment assets		
Plantation	52,299	49,941
Investment	405,494	363,625
	457,793	413,566
Unallocated corporate asset	53	53
Total assets	<u>457,846</u>	<u>413,619</u>

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

Part A - Explanatory Notes Pursuant to FRS 134

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 2014.

6. Changes in Estimates

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

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 2014.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2014.

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

Part A - Explanatory Notes Pursuant to FRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	30.09.14 RM'000	30.09.13 RM'000	30.09.14 RM'000	30.09.13 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)	71	75	71	75
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	170	144	170	144
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	115	17	115	17
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

There were no material events subsequent to the end of the current quarter.

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
30.06.14				
Available-for-sale financial assets	<u>165,294</u>	<u>-</u>	<u>-</u>	<u>165,294</u>
30.06.13				
Available-for-sale financial assets	<u>155,893</u>	<u>-</u>	<u>-</u>	<u>155,893</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current 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 recorded revenue of RM2.78 million for the 1st quarter of financial year ending 30 June 2015. This was lower than the revenue of RM3.21 million reported for the corresponding quarter of a year ago despite higher interest income and higher crop sales on account of the 17% increase in tonnage harvested. The lower revenue was due to lower dividend income as only RM439,000 was received for the current quarter while RM1.14 million was received during last year's corresponding quarter.

For the current quarter, the Group reported an operating loss of RM442,000 as compared to the operating profit of RM2.86 million reported during last year's corresponding quarter. This was mainly due to lower revenue and the foreign exchange difference was a loss of RM1.26 million while it was a profit of RM965,000 for the corresponding quarter of a year ago. However, with the share of associates' profit of RM5.42 million which was more than doubled last year's share, the operating loss was nullified and the Group reported an after-tax profit of RM4.76 million. This was however lower than last year's profit by RM46,000.

**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 RM2.78 million was lower than the immediate preceding quarter of RM4.96 million despite higher interest income. This was due to lower dividend income as only RM439,000 was received as compared to the receipt of RM2.26 million during the immediate preceding quarter ended 30 June 2014. Crop sales was lower despite the increase in the production of fresh fruit bunches ("FFB"), mainly due to the 18% decrease in FFB prices.

The Group reported a pre-tax profit of RM4.98 million for the current quarter which was higher than the immediate preceding quarter's RM4.52 million despite the recognition of the fair value gain of RM6.56 million arising from the revaluation of its investment property in the immediate preceding quarter while there was none for the current quarter. Further, the Group suffered foreign exchange loss of RM1.26 million while it was a gain of RM569,000 during the immediate preceding quarter. This was mainly due to the share of financial results of its associates was a profit of RM5.42 million which was a positive turnaround from the immediate preceding quarter's loss of RM5.52 million.

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 following 2nd quarter, the yield of FFB is not expected to increase significantly due to the current flood situation which will affect the harvesting and collection activities. For the rest of the financial year ending 30 June 2015, the yield of FFB will be influenced by the weather patterns while crop revenue by FFB prices.

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	
	30.09.14	30.09.13	30.09.14	30.09.13
	RM'000	RM'000	RM'000	RM'000
Interest income	(338)	(250)	(340)	(250)
Other income including investment income	(438)	(1,143)	(441)	(1,145)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	4	5	4	5
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 loss / (gain)	1,263	(965)	1,263	(965)
(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)
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**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	
	30.09.14	30.09.13	30.09.14	30.09.13
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	167	254	167	254
Foreign income tax	50	45	50	45
Total income tax expense	<u>217</u>	<u>299</u>	<u>217</u>	<u>299</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

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

23. Borrowings

There were no borrowings and debt securities as at 30 September 2014.

24. Changes in Material Litigation

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

25. Dividend Payable

The directors do not recommend any dividend for the current quarter under review.

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**

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 period.

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.14	30.09.13	30.09.14	30.09.13
Profit attributable to ordinary equity holders (RM'000)	<u>4,761</u>	<u>4,807</u>	<u>4,761</u>	<u>4,807</u>
Weighted average number of ordinary shares in issue	<u>66,333</u>	<u>60,492</u>	<u>66,333</u>	<u>60,492</u>
Basic earnings per share (Sen)	<u>7.18</u>	<u>7.95</u>	<u>7.18</u>	<u>7.95</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 2014.

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**

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 30.09.14 RM'000	As at 30.06.14 RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	117,957	117,351
- Unrealised	26,965	26,559
	144,922	143,910
Total share of retained profits from associated companies:		
- Realised	41,350	35,930
- Unrealised	1,047	1,046
	42,397	36,976
	187,319	180,886
Less: Consolidation adjustments	(18,369)	(16,697)
	<u>168,950</u>	<u>164,189</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 27 November 2014.