

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 30 September 2015
(The figures have not been audited)

	Note	Individual Quarter		Year to Date	
		30.09.15	30.09.14	30.09.15	30.09.14
		RM'000	RM'000	RM'000	RM'000
Revenue	4	2,404	2,776	2,404	2,776
Other Income		1	2	1	2
Changes in inventories		382	185	382	185
Staff costs		(361)	(168)	(361)	(168)
Depreciation		(7)	(4)	(7)	(4)
Subcontract labour costs, fertilizer and chemical costs		(956)	(1,074)	(956)	(1,074)
Foreign exchange loss		(5,701)	(1,263)	(5,701)	(1,263)
Other expenses		(923)	(896)	(923)	(896)
Loss from operations	4	(5,161)	(442)	(5,161)	(442)
Share of (loss)/profit of associates		(1,649)	5,420	(1,649)	5,420
(Loss)/Profit before tax	20	(6,810)	4,978	(6,810)	4,978
Income tax expense	21	(80)	(217)	(80)	(217)
(Loss)/Profit after tax		(6,890)	4,761	(6,890)	4,761
<u>Other Comprehensive Income</u>					
Available-for-sale investments:					
(Loss)/Gain on fair value changes		(9,521)	9,348	(9,521)	9,348
Foreign currency translation		42,101	3,782	42,101	3,782
Share of other comprehensive loss of associates		(13,422)	(3,212)	(13,422)	(3,212)
Other comprehensive income for the period, net of tax		19,158	9,918	19,158	9,918
Total comprehensive income for the period		12,268	14,679	12,268	14,679
(Loss)/Earnings per share attributable to equity holders					
Basic (Sen)	26(a)	(10.39)	7.18	(10.39)	7.18
Diluted (Sen)	26(b)	(10.39)	7.18	(10.39)	7.18

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 2015**

	(Unaudited)	(Audited)
	As at	As at
	30.09.15	30.06.15
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	102,418	102,425
Biological assets	4,101	1,819
Investment property	49,645	42,267
Investment in associates	88,231	90,680
Available-for-sale investments	196,430	200,259
Deferred tax asset	53	53
	<u>440,878</u>	<u>437,503</u>
Current assets		
Inventories	430	48
Trade and other receivables	1,714	1,222
Prepayments	281	328
Tax recoverable	482	374
Cash and bank balances	155,681	147,427
	<u>158,588</u>	<u>149,399</u>
TOTAL ASSETS	<u>599,466</u>	<u>586,902</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	66,333	66,333
Reserves	525,881	513,613
	<u>592,214</u>	<u>579,946</u>
Non-current liabilities		
Current liabilities		
Trade and other payables	1,815	1,593
Tax payable	68	-
	<u>1,883</u>	<u>1,593</u>
Total liabilities	<u>7,252</u>	<u>6,956</u>
TOTAL EQUITY AND LIABILITIES	<u>599,466</u>	<u>586,902</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 2015**

(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 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 2015	66,333	8,645	146,682	140,664	32,571	5,956	11,000	168,095	579,946	
Total comprehensive income for the period	-	-	(13,422)	(9,521)	42,101	-	-	(6,890)	12,268	
Closing balance at 30 September 2015	<u>66,333</u>	<u>8,645</u>	<u>133,260</u>	<u>131,143</u>	<u>74,672</u>	<u>5,956</u>	<u>11,000</u>	<u>161,205</u>	<u>592,214</u>	
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	<u>66,333</u>	<u>8,645</u>	<u>64,520</u>	<u>129,809</u>	<u>(807)</u>	<u>5,956</u>	<u>11,000</u>	<u>168,950</u>	<u>454,406</u>	

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 2015
(The figures have not been audited)

	3 months period	
	30.09.15	30.09.14
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(6,810)	4,978
Adjustments for:		
Depreciation	7	4
Provision for retirement benefit	6	7
Unrealised foreign exchange loss	5,701	1,263
Dividend income	(541)	(438)
Interest income	(475)	(338)
Share of loss/(profit) of associates	1,649	(5,420)
Operating cash flows before working capital changes	(463)	56
Receivables	112	(314)
Prepayments	47	18
Inventories	(382)	(185)
Payables	216	244
Cash flows used in operations	(470)	(181)
Taxes paid	(120)	(209)
Net cash flows used in operating activities	(590)	(390)
INVESTING ACTIVITIES		
Withdrawal from/(Addition to) fixed deposits	2,776	(69)
Dividends received	-	442
Interest received	417	247
Addition to biological assets	(2,282)	-
Cash flows from investing activities	911	620
NET INCREASE IN CASH AND CASH EQUIVALENTS	321	230
EFFECTS OF EXCHANGE RATE CHANGES	10,710	87
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	123,737	115,967
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	134,768	116,284

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 2015. 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 2015.

2. Significant accounting policies

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 2015.

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
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint operations	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

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)

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 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 2018.

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 2019. 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 2015 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	
	30.09.15	30.09.14
	RM'000	RM'000
Segment Revenue		
Plantation	1,388	1,998
Investment	1,016	778
Total	<u>2,404</u>	<u>2,776</u>
Segment results		
Plantation	134	618
Investment	(4,761)	(560)
	<u>(4,627)</u>	<u>58</u>
Unallocated corporate expenses	(534)	(500)
Loss from operations	<u>(5,161)</u>	<u>(442)</u>
Segment assets		
Plantation	155,790	52,299
Investment	443,623	405,494
	<u>599,413</u>	<u>457,793</u>
Unallocated corporate asset	53	53
Total assets	<u>599,466</u>	<u>457,846</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 2015.

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.

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

Part A - Explanatory Notes Pursuant to FRS 134

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 financial statements as at 30 September 2015.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2015.

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	
	30.09.15	30.09.14	30.09.15	30.09.14
	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)	45	71	45	71
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	175	170	175	170
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	39	115	39	115
Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	-	-	63	-

14. Subsequent Events

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

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

Part A - Explanatory Notes Pursuant to FRS 134

15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all assets and liabilities carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.09.15				
Available-for-sale				
financial assets	172,855	23,575	-	196,430
Freehold land	-	-	102,000	102,000
Investment property	-	-	49,645	49,645
	<u>172,855</u>	<u>23,575</u>	<u>151,645</u>	<u>348,075</u>
30.06.15				
Available-for-sale				
financial assets	176,233	24,026	-	200,259
Freehold land	-	-	102,000	102,000
Investment property	-	-	42,267	42,267
	<u>176,233</u>	<u>24,026</u>	<u>144,267</u>	<u>344,526</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 RM2.40 million for the current quarter which was lower than the preceding year's corresponding quarter's RM2.78 million despite higher dividend and interest income. This was mainly due to the 30% fall in crop sales on account of lower tonnage harvested and lower fresh fruit bunch ("FFB") prices.

For the current quarter, the Group reported an after-tax loss of RM6.89 million while last year's corresponding quarter was an after-tax profit of RM4.76 million. This was due to:-

- 1) Share of financial results of its associates was a loss of RM1.65 million while it was a profit of RM5.42 million during the last year's corresponding quarter.
- 2) Due to the weakening of Singapore Dollar and Malaysian Ringgit against United States Dollar by 3% and 18% respectively since the last financial year ended 30 June 2015, the foreign exchange loss of RM5.70 million was significantly higher than last year's RM1.26 million.

**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 RM2.40 million was lower than the immediate preceding quarter of RM4.40 million. This was due to the receipt of dividend income of RM541,000 was significantly lower than the immediate preceding quarter's RM2.40 million. Crop sales was lower while interest income was higher.

The Group reported a pre-tax loss of RM6.81million for the current quarter. This was a negative turnaround from the immediate preceding quarter's profit of RM1.39 million despite the immediate preceding quarter suffered a fair value loss of RM1.91 million arising from the revaluation of its investment property while there was none for the current quarter. This was due to:-

- 1) Lower revenue achieved.
- 2) The foreign exchange loss of RM5.70 million for the current quarter was significantly higher than the immediate preceding quarter's RM1.10 million.
- 3) Share of financial results of its associates was a loss of RM1.65 million while it was a profit of RM1.95 million during 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 2016, the outlook will be affected by:-

- 1) Bottoming commodities prices to which palm oil is no exception. The price of CPO is expected to be within the range of RM2,000 to RM2,300.
- 2) Due to lower economic growth of palm oil buyer nations, the demand for palm oil will be at a reduced scale.
- 3) The recent haze problem had reduced the intensity of sunlight and increased the dry spell. These conditions are unfavourable to the oil palm trees and may affect the yield.

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. (Loss)/Profit before tax

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

	Individual Quarter		Year-To-Date	
	30.09.15	30.09.14	30.09.15	30.09.14
	RM'000	RM'000	RM'000	RM'000
Interest income	(475)	(338)	(475)	(338)
Other income including investment income	(542)	(441)	(542)	(441)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	7	4	7	4
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	5,701	1,263	5,701	1,263
(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	
	30.09.15	30.09.14	30.09.15	30.09.14
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	12	167	12	167
Foreign income tax	68	50	68	50
Total income tax expense	<u>80</u>	<u>217</u>	<u>80</u>	<u>217</u>

The effective tax rate for the current quarter was higher as certain expenses were not deductible for tax purposes while the effective tax rate for last year's corresponding quarter was lower as certain income were 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 2015.

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. (Loss)/Earnings Per Share

(a) Basic

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

	Individual Quarter		Year-To-Date	
	3 months ended		3 months ended	
	30.09.15	30.09.14	30.09.15	30.09.14
(Loss)/Profit attributable to ordinary equity holders (RM'000)	<u>(6,890)</u>	<u>4,761</u>	<u>(6,890)</u>	<u>4,761</u>
Weighted average number of ordinary shares in issue ('000)	<u>66,333</u>	<u>66,333</u>	<u>66,333</u>	<u>66,333</u>
Basic (loss)/earnings per share (Sen)	<u>(10.39)</u>	<u>7.18</u>	<u>(10.39)</u>	<u>7.18</u>

(b) Diluted

Diluted (loss)/earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 30 September 2015.

27. Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	3 months period	
	30.09.15	30.09.14
	RM'000	RM'000
Cash and bank balances	155,681	139,435
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(20,913)	(23,151)
Cash and cash equivalents	<u>134,768</u>	<u>116,284</u>

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**

28. Disclosure of Realised and Unrealised Profits

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 30.09.15 RM'000	As at 30.06.15 RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	141,821	141,364
- Unrealised	14,060	19,758
	155,881	161,122
Total share of retained profits from associated companies:		
- Realised	42,834	44,483
- Unrealised	983	983
	43,817	45,466
	199,698	206,588
Less: Consolidation adjustments	(38,493)	(38,493)
	<u>161,205</u>	<u>168,095</u>

29. 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 16 November 2015.