

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

Consolidated Statement of Comprehensive Income
For the Financial Period Ended 31 March 2017

(The figures have not been audited)

	Note	Individual Quarter		Year to Date	
		3 months ended		9 months ended	
		31.03.17	31.03.16	31.03.17	31.03.16
		RM'000	RM'000	RM'000	RM'000
Revenue	4	1,950	1,388	8,072	6,583
Other Income		1	1	2	2
Changes in inventories		100	214	44	230
Staff costs		(320)	(301)	(949)	(923)
Depreciation		(27)	(18)	(77)	(36)
Subcontract labour costs, fertilizer and chemical costs		(631)	(580)	(1,997)	(2,460)
Foreign exchange gain/(loss)		3,844	4,707	(3,260)	(521)
Other expenses		(807)	(924)	(2,248)	(2,156)
Profit/(Loss) from operations	4	4,110	4,487	(413)	719
Share of (loss)/profit of associates		(1,030)	3,777	(1,952)	2,242
Profit/(Loss) before tax	20	3,080	8,264	(2,365)	2,961
Income tax credit/(expense)	21	129	2	(411)	(246)
Profit/(Loss) before extraordinary item		3,209	8,266	(2,776)	2,715
Profit/(Loss) after tax		3,209	8,266	(2,776)	2,715
<u>Other Comprehensive Income/(Loss)</u>					
Available-for-sale investments:					
Gain/(Loss) on fair value changes		13,055	6,911	14,083	(9,725)
Foreign currency translation		(3,321)	(24,211)	25,334	8,321
Share of other comprehensive income/(loss) of associates		3,472	(287)	5,148	(8,529)
Other comprehensive income/(loss) for the period, net of tax		13,206	(17,587)	44,565	(9,933)
Total comprehensive income/(loss) for the period		16,415	(9,321)	41,789	(7,218)
Earnings/(Loss) per share attributable to equity holders					
Basic (Sen)	26(a)	4.84	12.46	(4.18)	4.09
Diluted (Sen)	26(b)	4.84	12.46	(4.18)	4.09

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 31 March 2017**

	(Unaudited)	(Audited)
	As at	As at
	31.03.17	30.06.16
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	103,881	102,943
Biological assets	18,112	10,089
Investment property	41,313	37,544
Investment in associates	88,684	79,520
Available-for-sale investments	202,707	185,380
Deferred tax asset	205	205
	<u>454,902</u>	<u>415,681</u>
Current assets		
Inventories	267	223
Trade and other receivables	1,039	1,673
Prepayments	294	535
Tax recoverable	480	363
Cash and bank balances	152,177	150,907
	<u>154,257</u>	<u>153,701</u>
TOTAL ASSETS	<u>609,159</u>	<u>569,382</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	66,333	66,333
Reserves	535,789	495,327
	<u>602,122</u>	<u>561,660</u>
Non-current liabilities		
Trade and other payables	316	301
Provision for retirement benefits	39	34
Deferred tax liability	5,060	5,060
	<u>5,415</u>	<u>5,395</u>
Current liabilities		
Trade and other payables	1,355	2,327
Tax payable	267	-
	<u>1,622</u>	<u>2,327</u>
Total liabilities	<u>7,037</u>	<u>7,722</u>
TOTAL EQUITY AND LIABILITIES	<u>609,159</u>	<u>569,382</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 31 March 2017**

(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 2016	66,333	8,645	133,270	123,736	47,831	5,956	11,000	164,889	561,660	
Total comprehensive income/(loss) for the period	-	-	5,148	14,083	25,334	-	-	(2,776)	41,789	
Dividends	-	-	-	-	-	-	-	(1,327)	(1,327)	
Closing balance at 31 March 2017	66,333	8,645	138,418	137,819	73,165	5,956	11,000	160,786	602,122	
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/(loss) for the period	-	-	(8,529)	(9,725)	8,321	-	-	2,715	(7,218)	
Dividends	-	-	-	-	-	-	-	(1,327)	(1,327)	
Closing balance at 31 March 2016	66,333	8,645	138,153	130,939	40,892	5,956	11,000	169,483	571,401	

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 31 March 2017

(The figures have not been audited)

	9 months period	
	31.03.17	31.03.16
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(2,365)	2,961
Adjustments for:		
Depreciation	77	36
Provision for retirement benefit	20	20
Unrealised foreign exchange loss	3,245	499
Dividend income	(1,182)	(1,279)
Interest income	(857)	(1,428)
Share of loss/(profit) of associates	1,952	(2,242)
Operating cash flows before working capital changes	890	(1,433)
Receivables	652	121
Prepayments	(205)	162
Inventories	(44)	(230)
Payables	(970)	(335)
Cash flows from/(used in) operations	323	(1,715)
Taxes refunded	-	430
Taxes paid	(260)	(420)
Net cash generated from/(used in) operating activities	63	(1,705)
INVESTING ACTIVITIES		
Withdrawal from fixed deposits	5,866	4,891
Dividends received	3,248	5,964
Interest received	968	1,336
Addition to biological assets	(8,572)	(6,055)
Purchase of property, plant and equipment	(467)	(240)
Net cash generated from investing activities	1,043	5,896
FINANCING ACTIVITY		
Dividends paid, representing net cash generated from financing activity	(1,327)	(1,327)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(221)	2,864
EFFECTS OF EXCHANGE RATE CHANGES	7,357	2,575
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	143,169	123,737
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	150,305	129,176

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 2016. 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 2016.

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 2016.

Revised FRSs issued and not yet effective

The Group has not early adopted the following revised FRSs 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 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 12 (Annual Improvements to FRS Standards 2014-2016 Cycle)	1 January 2017
FRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

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

2. Significant Accounting Policies (cont'd)

Revised FRSs 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 2016 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

	9 months ended	
	31.03.17	31.03.16
	RM'000	RM'000
Segment Revenue		
Plantation	5,643	3,876
Investment	2,039	2,707
Rental	390	-
	<u>8,072</u>	<u>6,583</u>
Segment results		
Plantation	3,088	744
Investment	(1,668)	1,845
	<u>1,420</u>	<u>2,589</u>
Unallocated corporate expenses	(1,833)	(1,870)
(Loss)/Profit from operations	<u>(413)</u>	<u>719</u>
Segment assets		
Plantation	158,741	154,381
Investment	450,213	423,788
	<u>608,954</u>	<u>578,169</u>
Unallocated corporate assets	205	53
Total assets	<u>609,159</u>	<u>578,222</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 31 March 2017.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter and year-to-date 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.

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

8. Dividends Paid

In respect of the financial year ended 30 June 2016, as reported in the directors' report of that year, the following dividends were paid during the current quarter:

	Amount RM	Net dividend per share Sen
First and final tax exempt (one-tier) dividend of 2%	<u>1,326,653</u>	<u>2.00</u>

9. Debt and Equity Securities

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

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 31 March 2017.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 March 2017.

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	
	31.03.17	31.03.16	31.03.17	31.03.16
	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)	34	28	117	103
Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	225	175	685	642
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	51	60	148	135
Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	63	63	188	188

14. Subsequent Events

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

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
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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
31.03.17				
Available-for-sale financial assets	175,696	27,011	-	202,707
Freehold land	-	-	102,134	102,134
Investment property	-	-	41,313	41,313
	<u>175,696</u>	<u>27,011</u>	<u>143,447</u>	<u>346,154</u>
30.06.16				
Available-for-sale financial assets	163,269	22,111	-	185,380
Freehold land	-	-	102,134	102,134
Investment property	-	-	37,544	37,544
	<u>163,269</u>	<u>22,111</u>	<u>139,678</u>	<u>325,058</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)
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**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 RM1.95 million for the current quarter ended 31 March 2017. This was better than last year's corresponding quarter of RM1.39 million, mainly due to higher crop sales. Crop sales was higher than last year's corresponding quarter on account of the increases in tonnage harvested and in fresh fruit bunch ("FFB") prices. Rental income from the investment property in London was RM170,000 while there was none during last year's corresponding quarter. Interest income was however lower.

For the current quarter, the Group reported an after-tax profit of RM3.21 million which was significantly lower than last year's corresponding quarter's RM8.27 million. This was due to:-

- 1) The unrealised foreign exchange gain of RM3.84 million for the current quarter was lower than last year's corresponding quarter's RM4.71 million.
- 2) Share of the financial results of the associates for the current quarter was a loss of RM1.03 million while it was a profit of RM3.78 million during the quarter of a year ago.

For the current 9 months to-date, the Group's revenue of RM8.07 million was higher than last year's corresponding period-to-date of RM6.58 million, mainly due to higher crop sales. Crop sales of RM5.64 million was more than last year's corresponding period on account of the increase in FFB prices. The Group also received rental income of RM390,000 during the current period-to-date while there was none during last year's corresponding period-to-date. However, dividend and interest income were lower.

The Group suffered an after-tax loss of RM2.78 million for the current 9 months to-date as compared to the after-tax profit of RM2.72 million reported a year ago. This was due to:-

- 1) The foreign exchange loss of RM3.26 million was higher than last year's RM521,000.
- 2) Share of the financial results of the associates for the current period-to-date was a loss of RM1.95 million while it was a profit of RM2.24 million a year ago.

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**

**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 RM1.95 million was lower than the immediate preceding quarter's RM3.54 million. Crop sales was lower despite the increase in FFB prices as lower tonnage was harvested as compared to the immediate preceding quarter's. Dividend income of RM655,000 was received during the immediate preceding quarter while there was none during the current quarter.

The Group reported a pre-tax profit of RM3.08 million for the current quarter while the immediate preceding quarter was a loss of RM4.30 million. This was due to:-

- 1) The unrealised foreign exchange difference for the current quarter was a gain of RM3.84 million while the immediate preceding quarter was a loss of RM6.04 million.
- 2) Lower operating expenses incurred for the current quarter.

However, the Group's share of the financial results of the associates was a loss of RM1.03 million for the current quarter while it was a profit of RM56,000 for the immediate preceding quarter.

18. Commentary on Prospects

Management believes that there will be an increase in the production for 4Q2017. However, the CPO prices will be slightly lower than RM2,800 per metric tonne as reported in 2Q2017. Hence, the crop sales for 4Q2017 will be comparable.

The Group's results are also dependent on dividend income receivable from its investments, market valuation of its publicly listed investments and the effect of currency fluctuations.

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

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**

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit/(Loss) before tax

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

	Individual Quarter		Year-To-Date	
	31.03.17	31.03.16	31.03.17	31.03.16
	RM'000	RM'000	RM'000	RM'000
Interest income	(257)	(486)	(857)	(1,428)
Other income including investment income	(171)	(2)	(1,573)	(1,281)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	27	18	77	36
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	(3,844)	(4,707)	3,260	521
(Gain) / Loss on derivatives	n/a	n/a	n/a	n/a
Exceptional items	n/a	n/a	n/a	n/a

n/a : Not applicable

21. Income Tax (Credit)/Expense

	Individual Quarter		Year-To-Date	
	3 months ended		9 months ended	
	31.03.17	31.03.16	31.03.17	31.03.16
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(247)	(50)	135	66
Foreign income tax	118	48	276	180
Total income tax (credit)/expense	(129)	(2)	411	246

The effective tax rates for the current quarter and last year's corresponding quarter and year-to-date were lower as certain income were not subject to income tax. The effective tax rate of the current year-to-date was higher as certain expenses were not deductible for tax purposes.

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**

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 31 March 2017.

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.

26. Earnings/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) 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		9 months ended	
	31.03.17	31.03.16	31.03.17	31.03.16
Profit/(Loss) attributable to ordinary equity holders (RM'000)	<u>3,209</u>	<u>8,266</u>	<u>(2,776)</u>	<u>2,715</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 earnings/(loss) per share (Sen)	<u>4.84</u>	<u>12.46</u>	<u>(4.18)</u>	<u>4.09</u>

(b) Diluted

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there is no dilutive potential ordinary shares outstanding as at 31 March 2017.

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. Cash and cash equivalents

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

	3 months period	
	31.03.17	31.03.16
	RM'000	RM'000
Cash and bank balances	152,177	147,975
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(1,872)	(18,799)
Cash and cash equivalents	<u>150,305</u>	<u>129,176</u>

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 31.03.17 RM'000	As at 30.06.16 RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	151,145	148,456
- Unrealised	8,660	11,752
	159,805	160,208
Total share of retained profits from associated companies:		
- Realised	44,489	46,441
- Unrealised	1,418	1,418
	45,907	47,859
	<u>205,712</u>	<u>208,067</u>
Less: Consolidation adjustments	(44,926)	(43,178)
	<u>160,786</u>	<u>164,889</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 31 May 2017.