

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

**Consolidated Statement Of Comprehensive Income**  
**For the Financial Period Ended 30 June 2017**

(The figures have not been audited)

|  | Note  | Individual Quarter<br>3 months ended |                    | Change<br>Favourable/<br>(Unfavourable) |       | Year-to-Date<br>12 months ended |                    | Change<br>Favourable/<br>(Unfavourable) |      |
|--|-------|--------------------------------------|--------------------|---|-------|---------------------------------|--------------------|---|------|
|  |       | 30.06.17<br>RM'000                   | 30.06.16<br>RM'000 | RM'000                                  | %     | 30.06.17<br>RM'000              | 30.06.16<br>RM'000 | RM'000                                  | %    |
| <b>Revenue</b>   | 4     | 4,224                                | 4,496              | (272)                                   | -6    | 12,296                          | 11,079             | 1,217                                   | 11   |
| Other Income   |       | 1                                    | -                  | 1                                       | N.M   | 3                               | 2                  | 1                                       | 50   |
| Changes in inventories   |       | (225)                                | (55)               | (170)                                   | -309  | (181)                           | 175                | (356)                                   | 203  |
| Staff costs  |       | (410)                                | (335)              | (75)                                    | -22   | (1,359)                         | (1,258)            | (101)                                   | -8   |
| Depreciation   |       | (26)                                 | (23)               | (3)                                     | -13   | (103)                           | (59)               | (44)                                    | -75  |
| Subcontract labour costs,<br>fertilizer and chemical costs                   |       | (746)                                | (816)              | 70                                      | 9     | (2,743)                         | (3,276)            | 533                                     | 16   |
| Foreign exchange loss  |       | (79)                                 | (6,566)            | 6,487                                   | 99    | (3,339)                         | (7,087)            | 3,748                                   | 53   |
| Other expenses   |       | (466)                                | (575)              | 109                                     | 19    | (2,714)                         | (2,731)            | 17                                      | 1    |
| Fair value loss on investment property                                       |       | (500)                                | (944)              | 444                                     | 47    | (500)                           | (944)              | 444                                     | 47   |
| Impairment loss on available-for-sale<br>investment                          |       | (3,333)                              | -                  | (3,333)                                 | N.M   | (3,333)                         | -                  | (3,333)                                 | N.M  |
| <b>Profit/(Loss) from operations</b>   | 4     | (1,560)                              | (4,818)            | 3,258                                   | 68    | (1,973)                         | (4,099)            | 2,126                                   | 52   |
| Share of (loss)/profit of associates   |       | (1,604)                              | 151                | (1,755)                                 | -1162 | (3,556)                         | 2,393              | (5,949)                                 | -249 |
| <b>Loss before tax</b>   | 20    | (3,164)                              | (4,667)            | 1,503                                   | 32    | (5,529)                         | (1,706)            | (3,823)                                 | -224 |
| Income tax expense   | 21    | (163)                                | 73                 | (236)                                   | -323  | (574)                           | (173)              | (401)                                   | 232  |
| <b>Loss after tax</b>  |       | (3,327)                              | (4,594)            | 1,267                                   | 28    | (6,103)                         | (1,879)            | (4,224)                                 | -225 |
| <b><u>Other Comprehensive Income/(Loss)</u></b>                              |       |                                      |                    |   |       |                                 |                    |   |      |
| Available-for-sale investments:  |       |                                      |                    |   |       |                                 |                    |   |      |
| - Net change in fair value taken to  |       | 17,170                               | (7,203)            | 24,373                                  | 338   | 31,253                          | (16,928)           | 48,181                                  | 285  |
| - Transferred to profit or loss on<br>loss of available-for-sale investments |       | 3,333                                | -                  | 3,333                                   | N.M   | 3,333                           | -                  | 3,333                                   | N.M  |
| Foreign currency translation   |       | (8,367)                              | 6,939              | (15,306)                                | -221  | 16,967                          | 15,260             | 1,707                                   | 11   |
| Share of other comprehensive<br>of associates                                |       | 634                                  | (4,883)            | 5,517                                   | 113   | 5,782                           | (13,412)           | 19,194                                  | 143  |
| <b>Other comprehensive income/(loss) for<br/>the year, net of tax</b>        |       | 12,770                               | (5,147)            | 17,917                                  | 348   | 57,335                          | (15,080)           | 72,415                                  | 480  |
| <b>Total comprehensive income/(loss) for<br/>the year</b>                    |       | 9,443                                | (9,741)            | 19,184                                  | 197   | 51,232                          | (16,959)           | 68,191                                  | 402  |
| <b>Loss per share attributable<br/>to equity holders</b>                     |       |                                      |                    |   |       |                                 |                    |   |      |
| Basic (Sen)  | 26(a) | (5.02)                               | (6.93)             |   |       | (9.20)                          | (2.83)             |   |      |
| Diluted (Sen)  | 26(b) | (5.02)                               | (6.93)             |   |       | (9.20)                          | (2.83)             |   |      |

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

\* N.M = Not Meaningful

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

**Consolidated Statement of Financial Position**  
**As at 30 June 2017**

|   | (Unaudited)<br>As at<br><b>30.06.17</b><br><b>RM'000</b> | (Audited)<br>As at<br><b>30.06.16</b><br><b>RM'000</b> |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>Non-current assets</b>                                   |  |  |
| Property, plant and equipment                               | 103,309  | 102,943  |
| Biological assets   | 20,563   | 10,089   |
| Investment property   | 38,225   | 37,544   |
| Investment in associates                                    | 85,164   | 79,520   |
| Available-for-sale investments                              | 218,805  | 185,380  |
| Deferred tax asset  | -  | 205  |
|   | <u>466,066</u>   | <u>415,681</u>   |
| <b>Current assets</b>                                       |  |  |
| Inventories   | 42   | 223  |
| Trade and other receivables                                 | 348  | 1,673  |
| Prepayments   | 1,016  | 535  |
| Tax recoverable   | 412  | 363  |
| Cash and bank balances                                      | 150,821  | 150,907  |
|   | <u>152,639</u>   | <u>153,701</u>   |
| <b>TOTAL ASSETS</b>   | <u>618,705</u>   | <u>569,382</u>   |
| <b>EQUITY AND LIABILITIES</b>                               |  |  |
| <b>Equity attributable to equity holders of the Company</b> |  |  |
| Share capital   | 66,333   | 66,333   |
| Reserves  | 545,232  | 495,327  |
|   | <u>611,565</u>   | <u>561,660</u>   |
| <b>Non-current liabilities</b>                              |  |  |
| Trade and other payables                                    | 332  | 301  |
| Provision for retirement benefits                           | 45   | 34   |
| Deferred tax liability                                      | 5,406  | 5,060  |
|   | <u>5,783</u>   | <u>5,395</u>   |
| <b>Current liabilities</b>                                  |  |  |
| Trade and other payables                                    | 1,357  | 2,327  |
|   | <u>1,357</u>   | <u>2,327</u>   |
| <b>Total liabilities</b>                                    | <u>7,140</u>   | <u>7,722</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                         | <u>618,705</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 30 June 2017**

(The figures have not been audited)

|  | ← Non-Distributable →      |                            |                               |                                    |  | ← Distributable →                                       |                              |                                |                           |  |
|--|----------------------------|----------------------------|-------------------------------|------------------------------------|--|---|------------------------------|--------------------------------|---------------------------|--|
|  | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Capital<br>Reserves<br>RM'000 | Fair<br>Value<br>Reserve<br>RM'000 | Foreign<br>Exchange<br>Fluctuation<br>Reserves<br>RM'000 | Cultivation<br>and<br>Replacement<br>Reserves<br>RM'000 | General<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>Equity<br>RM'000 |  |
| <b>Opening balance at 1 July 2016</b>          | 66,333                     | 8,645                      | 133,270                       | 123,736                            | 47,831   | 5,956   | 11,000                       | 164,889                        | 561,660                   |  |
| Total comprehensive income/(loss) for the year | -                          | -                          | 5,782                         | 34,586                             | 16,967   | -   | -                            | (6,103)                        | 51,232                    |  |
| Dividends                                      | -                          | -                          | -                             | -                                  | -  | -   | -                            | (1,327)                        | (1,327)                   |  |
| <b>Closing balance at 30 June 2017</b>         | <b>66,333</b>              | <b>8,645</b>               | <b>139,052</b>                | <b>158,322</b>                     | <b>64,798</b>  | <b>5,956</b>  | <b>11,000</b>                | <b>157,459</b>                 | <b>611,565</b>            |  |
| <b>Opening balance at 1 July 2015</b>          | 66,333                     | 8,645                      | 146,682                       | 140,664                            | 32,571   | 5,956   | 11,000                       | 168,095                        | 579,946                   |  |
| Total comprehensive income/(loss) for the year | -                          | -                          | (13,412)                      | (16,928)                           | 15,260   | -   | -                            | (1,879)                        | (16,959)                  |  |
| Dividends                                      | -                          | -                          | -                             | -                                  | -  | -   | -                            | (1,327)                        | (1,327)                   |  |
| <b>Closing balance at 30 June 2016</b>         | <b>66,333</b>              | <b>8,645</b>               | <b>133,270</b>                | <b>123,736</b>                     | <b>47,831</b>  | <b>5,956</b>  | <b>11,000</b>                | <b>164,889</b>                 | <b>561,660</b>            |  |

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

**Consolidated Statement of Cash Flows**  
**For the Financial Period Ended 30 June 2017**  
(The figures have not been audited)

|   | <b>12 months period</b> |                 |
|---|-------------------------|-----------------|
|   | <b>30.06.17</b>         | <b>30.06.16</b> |
|   | <b>RM'000</b>           | <b>RM'000</b>   |
| <b>OPERATING ACTIVITIES</b>   |                         |                 |
| Loss before taxation  | (5,529)                 | (1,706)         |
| Adjustments for:  |                         |                 |
| Depreciation  | 103                     | 59              |
| Provision for retirement benefit                                    | 42                      | 37              |
| Unrealised foreign exchange loss                                    | 3,324                   | 7,066           |
| Dividend income   | (3,605)                 | (3,882)         |
| Interest income   | (1,117)                 | (1,829)         |
| Fair value loss on investment property                              | 500                     | 944             |
| Impairment loss on available-for-sale investments                   | 3,333                   | -               |
| Share of loss/(profit) of associates                                | 3,556                   | (2,393)         |
|   | <hr/>                   | <hr/>           |
| Operating cash flows before working capital changes                 | 607                     | (1,704)         |
| Receivables   | (50)                    | (281)           |
| Prepayments   | 482                     | (207)           |
| Inventories   | 181                     | (175)           |
| Payables  | (970)                   | 732             |
|   | <hr/>                   | <hr/>           |
| Cash flows from/(used in) operations                                | 250                     | (1,635)         |
| Taxes refunded  | 176                     | 430             |
| Taxes paid  | (252)                   | (744)           |
| Retirement benefit paid   | -                       | (5)             |
|   | <hr/>                   | <hr/>           |
| Net cash flows from/(used in) operating activities                  | 174                     | (1,954)         |
| <b>INVESTING ACTIVITIES</b>   |                         |                 |
| Withdrawal from fixed deposits                                      | 5,866                   | 15,952          |
| Dividends received  | 5,670                   | 8,249           |
| Interest received   | 1,212                   | 1,980           |
| Addition to biological assets                                       | (10,473)                | (8,270)         |
| Purchase of property, plant and equipment                           | (470)                   | (577)           |
|   | <hr/>                   | <hr/>           |
| Cash flows from investing activities                                | 1,805                   | 17,334          |
| <b>FINANCING ACTIVITY</b>   |                         |                 |
| Dividends paid  | (1,327)                 | (1,327)         |
|   | <hr/>                   | <hr/>           |
| Net cash used in financing activity                                 | (1,327)                 | (1,327)         |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                    |                         |                 |
|   | 652                     | 14,053          |
| <b>EFFECTS OF EXCHANGE RATE CHANGES</b>                             |                         |                 |
|   | 5,127                   | 5,379           |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>     |                         |                 |
|   | 143,169                 | 123,737         |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 27)</b> |                         |                 |
|   | <hr/> <hr/>             | <hr/> <hr/>     |
|   | 148,948                 | 143,169         |

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)**  
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**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:

|   | <b>Effective date for<br/>financial periods<br/>beginning on or after</b> |
|---|---|
| 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)**  
**(Incorporated in Malaysia)**

**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**

|                                | <b>12 months ended</b> |                 |
|--------------------------------|------------------------|-----------------|
|                                | <b>30.06.17</b>        | <b>30.06.16</b> |
|                                | <b>RM'000</b>          | <b>RM'000</b>   |
| <b>Segment Revenue</b>         |                        |                 |
| Plantation                     | 7,013                  | 5,368           |
| Investment                     | 4,722                  | 5,711           |
| Rental                         | 561                    | 0               |
|                                | <hr/>                  | <hr/>           |
| Total                          | 12,296                 | 11,079          |
|                                | <hr/>                  | <hr/>           |
| <b>Segment results</b>         |                        |                 |
| Plantation                     | 3,491                  | 858             |
| Investment                     | 1,916                  | (2,731)         |
| Rental                         | (1,696)                | (1,829)         |
|                                | <hr/>                  | <hr/>           |
|                                | 3,711                  | (3,702)         |
| Unallocated corporate expenses | (5,368)                | (2,226)         |
|                                | <hr/>                  | <hr/>           |
| Profit/(Loss) from operations  | (1,657)                | (5,928)         |
|                                | <hr/>                  | <hr/>           |
| <b>Segment assets</b>          |                        |                 |
| Plantation                     | 160,181                | 158,177         |
| Investment                     | 458,112                | 411,000         |
|                                | <hr/>                  | <hr/>           |
|                                | 618,293                | 569,177         |
| Unallocated corporate asset    | 412                    | 205             |
|                                | <hr/>                  | <hr/>           |
| Total assets                   | 618,705                | 569,382         |

**5. Unusual Items due to their Nature, Size or Incidence**

Other than the impairment loss of RM3.33 million on the available-for-sales investments and the revaluation loss of RM500,000 on its investment property, there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 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)**  
**(Incorporated in Malaysia)**

**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 year:

|  | <b>Amount<br/>RM</b> | <b>Net dividend<br/>per share<br/>Sen</b> |
|--|----------------------|---|
| 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 30 June 2017.

**12. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at 30 June 2017.

**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:

|   | <b>Individual Quarter</b> |                 | <b>Year-To-Date</b> |                 |
|---|---------------------------|-----------------|---------------------|-----------------|
|   | <b>30.06.17</b>           | <b>30.06.16</b> | <b>30.06.17</b>     | <b>30.06.16</b> |
|   | <b>RM'000</b>             | <b>RM'000</b>   | <b>RM'000</b>       | <b>RM'000</b>   |
| Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih, has an interest (recurrent)                                  | 30                        | 32              | 147                 | 135             |
| 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) | 190                       | 248             | 875                 | 890             |
| 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                        | 50              | 199                 | 185             |
| Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih, has an interest (recurrent)                            | 62                        | 62              | 250                 | 250             |

**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.

|                     | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|---------------------|----------------|----------------|----------------|----------------|
|                     | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>  |
| <b>30.06.17</b>     |                |                |                |                |
| Available-for-sale  |                |                |                |                |
| financial assets    | 190,701        | 28,104         | -              | 218,805        |
| Freehold land       | -              | -              | 102,134        | 102,134        |
| Investment property | -              | -              | 38,225         | 38,225         |
|                     | <u>190,701</u> | <u>28,104</u>  | <u>140,359</u> | <u>359,164</u> |
| <b>30.06.16</b>     |                |                |                |                |
| 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)**  
**(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 RM4.22 million for the current quarter ended 30 June 2017 which was lower than last year's corresponding quarter of RM4.50 million.

During the current quarter, there was a drop in crop sales and tonnage harvested, resulted from EI Nino effect . In addition, dividend and interest income were lower as compared to last year's corresponding quarter ended 30 June 2016.

Rental income from the investment property in London was RM561,000 while there was none during last year's corresponding quarter.

For the current quarter, the Group reported an after-tax loss of RM3.33 million which was lower than last year's corresponding quarter's after-tax loss of RM4.59 million . This was mainly due to the unrealised foreign exchange loss of RM79,000 which was significantly lower than RM6.57 million of last year's corresponding quarter.

The Group's after-tax loss was affected by the following:-

- 1) Impairment loss of RM3.33 million on its available-for-sales investments.
- 2) Revaluation loss of RM500,000 for the Group's investment property in London while last year's corresponding quarter's loss was RM944,000.

Share of financial results of the associates for the current quarter was a loss of RM1.60 million while it was a profit of RM151,000 for last year's corresponding quarter.

The Group's revenue for the current financial year was RM12.30 million. This was higher than last year's RM11.08 million despite lower interest and dividend income. Crop sales of RM7.01 million was the main contributor for the higher revenue as last year's crop sale was only RM5.37 million. This was due to the strengthening of CPO prices. The Group also received rental income of RM561,000 during the current year while there was none during last year.

The Group ended the current financial year with after-tax loss of RM6.10 million which was significantly higher than the after-tax loss of RM1.88 million reported a year ago. This was due to:-

- 1) The impairment loss of RM3.33 million on available-for-sale investments while there was none during last year.
- 2) Share of the financial results of the associates for current year was a loss of RM3.56 million while it was a profit of RM2.39 million a year ago.

However, the Group's net loss position was partially mitigated by the lower unrealised foreign exchange loss of RM3.34 million for the year ended 30 June 2017 as compared to last year's RM7.09 million. The revaluation loss of RM500,000 on its investment property was lower than last year's RM944,000.

**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**

|   | <b>Current<br/>Quarter<br/>30.06.17<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>31.03.17<br/>RM'000</b> | <b>Change<br/>Favourable/(Unfavourable)</b> |          |
|---|--|--|---|----------|
|   |  |  | <b>RM'000</b>                               | <b>%</b> |
| Revenue   | 4,224  | 1,950  | 2,274                                       | 117      |
| Operating profit  | (1,560)  | 4,110  | (5,670)                                     | -138     |
| Share of loss of associate  | (1,604)  | (1,030)  | (574)                                       | -56      |
| (Loss)/Profit before tax  | (3,164)  | 3,080  | (6,244)                                     | -203     |
| (Loss)/Profit after tax   | (3,327)  | 3,209  | (6,536)                                     | -204     |
| (Loss)/Profit attributable to the<br>equity holder of the company | (3,327)  | 3,209  | (6,536)                                     | -204     |

For the quarter under review, the Group's revenue of RM4.22 million was higher than the immediate preceding quarter's RM1.95 million despite lower crop sales. The higher revenue was mainly contributed by higher dividend income of RM2.42 million while there was none during the immediate preceding quarter.

The Group reported a pre-tax loss of RM3.16 million, an adverse position when comparing with the immediate preceding quarter's pre-tax profit of RM3.08 million. This was mainly due to:-

- 1) The foreign exchange difference for the current quarter was a loss of RM79,000 while it was a gain of RM3.84 million for the immediate preceding quarter.
- 2) The impairment loss of RM3.33 million on available-for-sale investments while there was none during the immediate preceding quarter.
- 3) Share of the associates' loss of RM1.60 million which was higher than the immediate preceding quarter of RM1.03 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 Financial Year ending 2017/2018, management expects FFB production to improve. However, adverse weather conditions, labour requirements and pest attacks may pose challenges.

Overall, the Group expects performance from the plantation segment for financial year ending 30 June 2018 to be satisfactory.

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 valuations of their investments and currency fluctuations.

**19. Profit Forecast or Profit Guarantee**

There is no profit forecast or profit guarantee.

**20. Loss before tax**

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

|  | <b>Individual Quarter</b> |                 | <b>Year-To-Date</b> |                 |
|--|---------------------------|-----------------|---------------------|-----------------|
|  | <b>30.06.17</b>           | <b>30.06.16</b> | <b>30.06.17</b>     | <b>30.06.16</b> |
|  | <b>RM'000</b>             | <b>RM'000</b>   | <b>RM'000</b>       | <b>RM'000</b>   |
| Interest income  | (260)                     | (401)           | (1,117)             | (1,829)         |
| Other income including investment income                                 | (2,593)                   | (2,603)         | (4,166)             | (3,884)         |
| Interest expense   | n/a                       | n/a             | n/a                 | n/a             |
| Depreciation and amortization  | 26                        | 23              | 103                 | 59              |
| 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 loss of available-for-sale financial assets                   | 3,333                     | n/a             | 3,333               | n/a             |
| Fair value loss on investment property                                   | 500                       | 944             | 500                 | 944             |
| Foreign exchange loss/(gain)   | 79                        | 6,566           | 3,339               | 7,087           |
| (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

**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     |              | 12 months ended |              |
|  | 30.06.17           | 30.06.16     | 30.06.17        | 30.06.16     |
|  | RM'000             | RM'000       | RM'000          | RM'000       |
| Current tax:   |                    |              |                 |              |
| Malaysian income tax   | 26                 | 70           | 161             | 136          |
| Foreign income tax   | (393)              | 144          | (117)           | 324          |
| Under / (Over) provision of Malaysian<br>income tax in prior years | (21)               | (135)        | (21)            | (135)        |
|  | <u>(388)</u>       | <u>79</u>    | <u>23</u>       | <u>325</u>   |
| Deferred tax:  |                    |              |                 |              |
| Relating to origination and reversal of<br>temporary differences   | 551                | (55)         | 551             | (55)         |
| Overprovision in prior years                                       | -                  | (97)         | -               | (97)         |
|  | <u>551</u>         | <u>(152)</u> | <u>551</u>      | <u>(152)</u> |
| Total income tax expense   | <u>163</u>         | <u>(73)</u>  | <u>574</u>      | <u>173</u>   |

The effective tax rates for the current quarter, current year, last year's corresponding quarter and last year were higher as certain expenses were not deductible for tax purposes. There was a write-back of overprovision of RM21,000 for the current year which was lower than last year's write-back of RM135,000.

During the current quarter and year-to-date, there was a refund of Annual Tax on Enveloped Dwellings ("ATED") paid in last year for the period September 2016 to March 2017 when the London's investment property was tenanted.

During the current year, additional deferred tax of RM551,000 was provided in respect of the capitalisation of the development expenditure from the leased land while there was a reversal and overprovision of deferred tax for last year.

**22. Corporate Proposals**

There was no corporate proposal announced by the Company 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**

**23. Borrowings**

There were no borrowings and debt securities as at 30 June 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 loss per share amounts are calculated by dividing loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the year.

|  | <b>Individual Quarter</b> |                 | <b>Year-To-Date</b>    |                 |
|--|---------------------------|-----------------|------------------------|-----------------|
|  | <b>3 months ended</b>     |                 | <b>12 months ended</b> |                 |
|  | <b>30.06.17</b>           | <b>30.06.16</b> | <b>30.06.17</b>        | <b>30.06.16</b> |
| Loss attributable to ordinary equity holders (RM'000)      | <u>(3,327)</u>            | <u>(4,594)</u>  | <u>(6,103)</u>         | <u>(1,879)</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 per share (Sen)                                 | <u>(5.02)</u>             | <u>(6.93)</u>   | <u>(9.20)</u>          | <u>(2.83)</u>   |

**(b) Diluted**

Diluted loss per share is the same as basic loss per share as there is no dilutive potential ordinary shares

**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. Cash and cash equivalents**

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

|   | <b>12 months period</b> |                 |
|---|-------------------------|-----------------|
|   | <b>30.06.17</b>         | <b>30.06.16</b> |
|   | RM'000                  | RM'000          |
| Cash and bank balances  | 150,820                 | 150,907         |
| Less: Short-term deposits with a licensed bank with maturities<br>more than 90 days | (1,872)                 | (7,738)         |
| Cash and cash equivalents   | <u>148,948</u>          | <u>143,169</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:

|   | <b>As at<br/>30.06.17<br/>RM'000</b> | <b>As at<br/>30.06.16<br/>RM'000</b> |
|---|--------------------------------------|--------------------------------------|
| <b>Total retained profits of the Group and its subsidiaries:</b>  |                                      |                                      |
| - Realised  | 150,541                              | 148,456                              |
| - Unrealised  | 7,540                                | 11,752                               |
|   | 158,081                              | 160,208                              |
| <b>Total share of retained profits from associated companies:</b> |                                      |                                      |
| - Realised  | 42,651                               | 46,441                               |
| - Unrealised  | 1,653                                | 1,418                                |
|   | 44,304                               | 47,859                               |
| <b>Less: Consolidation adjustments</b>                            | <u>202,385</u>                       | <u>208,067</u>                       |
|   | (44,926)                             | (43,178)                             |
|   | <u>157,459</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 21 August 2017.