

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

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

(The figures have not been audited)

		Individual Quarter		Change		Year-to-Date		Change	
		30.09.17	30.09.16	(Favourable/ Unfavourable)	%	30.09.17	30.09.16	(Favourable/ Unfavourable)	%
		RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
me from the investment property in London was									
Revenue	4	3,296	2,583	713	28	3,296	2,583	713	28
Other Income		17	1	16	1600	17	1	16	1600
Changes in inventories		290	21	269	1281	290	21	269	1281
Staff costs		(350)	(282)	(68)	-24	(350)	(282)	(68)	-24
Depreciation		(26)	(15)	(11)	-73	(26)	(15)	(11)	-73
Subcontract labour costs, fertilizer and chemical costs		(870)	(589)	(281)	-48	(870)	(589)	(281)	-48
Foreign exchange gain/(loss)		1,587	(1,064)	2,651	249	1,587	(1,064)	2,651	249
Other expenses		(1,002)	(824)	(178)	-22	(1,002)	(824)	(178)	-22
Profit/(Loss) from operations	4	2,942	(169)	3,111	1841	2,942	(169)	3,111	1841
Share of Loss of associates		(28)	(978)	950	97	(28)	(978)	950	97
Profit/(Loss) before tax	20	2,914	(1,147)	4,061	354	2,914	(1,147)	4,061	354
Income tax expense	21	(48)	(174)	126	72	(48)	(174)	126	72
Profit/(Loss) after tax		2,866	(1,321)	4,187	317	2,866	(1,321)	4,187	317
<u>Other Comprehensive Income/(Loss)</u>									
Investments:									
- Fair value gains		6,436	3,793	2,643	70	6,436	3,793	2,643	70
Foreign currency translation		(4,242)	7,730	(11,972)	-155	(4,242)	7,730	(11,972)	-155
Share of other comprehensive income of associates		948	5,740	(4,792)	-83	948	5,740	(4,792)	-83
Other comprehensive income/(loss) for the period, net of tax		3,142	17,263	(14,121)	-82	3,142	17,263	(14,121)	-82
Total comprehensive income/(loss) for the period		6,008	15,942	(9,934)	-62	6,008	15,942	(9,934)	-62
Profit/(Loss) per share attributable to equity holders									
Basic (Sen)	26(a)	4.32	(1.99)			4.32	(1.99)		
Diluted (Sen)	26(b)	4.32	(1.99)			4.32	(1.99)		

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 2017**

	(Unaudited)	(Audited)
	As at	As at
	30.09.17	30.06.17
	RM'000	RM'000
ASSETS		
Non- Rental income from the investment property in London was RM175,000 which was tenanted		
Property, plant and equipment	103,401	103,309
Biological assets	22,321	20,563
Investment property	37,633	38,225
Investment in associates	84,815	85,164
Investments	224,646	218,805
	<u>472,816</u>	<u>466,066</u>
Current assets		
Inventories	332	42
Trade and other receivables	734	348
Prepayments	872	1,016
Tax recoverable	512	412
Cash and bank balances	150,917	150,821
	<u>153,367</u>	<u>152,639</u>
TOTAL ASSETS	<u>626,183</u>	<u>618,705</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	66,333	66,333
Reserves	551,241	545,232
	<u>617,574</u>	<u>611,565</u>
Non-current liabilities		
Other payables	343	332
Provision for retirement benefits	45	45
Deferred tax liability	5,406	5,406
	<u>5,794</u>	<u>5,783</u>
Current liabilities		
Trade and other payables	2,731	1,357
Tax payable	84	-
	<u>2,815</u>	<u>1,357</u>
Total liabilities	<u>8,609</u>	<u>7,140</u>
TOTAL EQUITY AND LIABILITIES	<u>626,183</u>	<u>618,705</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 2017**

(The figures have not been audited)

	← Non-Distributable →					← Distributable →				
	Share Capital	Share Premium	Capital Reserves	Fair Value Reserve	Foreign Exchange Fluctuation Reserves	Cultivation and Replacement Reserves	General Reserve	Retained Earnings	Total Equity	
Rental in	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Opening balance at 1 July 2017	66,333	8,645	139,051	158,322	64,799	5,956	11,000	157,460	611,566	
Total comprehensive income/(loss) for the period	-	-	948	6,436	(4,242)	-	-	2,866	6,008	
Closing balance at 30 September 2017	<u>66,333</u>	<u>8,645</u>	<u>139,999</u>	<u>164,758</u>	<u>60,557</u>	<u>5,956</u>	<u>11,000</u>	<u>160,326</u>	<u>617,574</u>	
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	-	-	5,740	3,793	7,730	-	-	(1,321)	15,942	
Closing balance at 30 September 2016	<u>66,333</u>	<u>8,645</u>	<u>139,010</u>	<u>127,529</u>	<u>55,561</u>	<u>5,956</u>	<u>11,000</u>	<u>163,568</u>	<u>577,602</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 2017
(The figures have not been audited)

	3 months period	
	30.09.17	30.09.16
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	2,914	(1,147)
Adjustments for:		
Depreciation	26	15
Provision for retirement benefit	11	7
Unrealised foreign exchange (gain)/loss	(1,591)	1,059
Dividend income	(546)	(527)
Interest income	(302)	(320)
Share of loss of associates	28	978
	<hr/>	<hr/>
Operating cash flows before working capital changes	540	65
Receivables	(129)	265
Prepayments	-	131
Inventories	(290)	(21)
Payables	1,374	231
	<hr/>	<hr/>
Cash flows generated from operations	1,495	671
Taxes paid	(63)	(119)
	<hr/>	<hr/>
Net cash flows generated from operating activities	1,432	552
	<hr/>	<hr/>
INVESTING ACTIVITIES		
(Addition to)/Withdrawal from fixed deposits	(7,806)	594
Dividends received	547	845
Interest received	191	304
Addition to biological assets	(1,758)	(3,495)
Purchase of property, plant and equipment	(119)	(60)
	<hr/>	<hr/>
Cash flows used in investing activities	(8,945)	(1,812)
	<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,513)	(1,260)
EFFECTS OF EXCHANGE RATE CHANGES	(198)	2,187
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	148,949	143,169
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	141,238	144,096
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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.

Rental income from the investment property in London was RM175,000 which was tenanted in September 2016.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2017. 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 2017.

2. Significant accounting policies

Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statement for the financial year ended 30 June 2017 except for the adoption of the amended FRSs and annual improvements which are relevant to the Group's operation with effect from 1 July 2017 as set out below:

Amendments to FRS 107: Disclosure Initiative

Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to FRS 12: Disclosure of Interest in Other Entities

The adoption of the above Amendments and Annual Improvements does not have any effect on the financial performance or position of the Group.

New and amended standards and interpretations

The Group has not early adopted the following new and amended FRSs, annual improvements and IC Interpretation which have been issued as at the date of these interim financial statements and will be effective for the financial periods as stated below:

2. Significant Accounting Policies (cont'd)

New and amended standards and interpretations (cont'd)

	Effective date for financial periods beginning on or after
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 9 Financial Instruments	1 January 2018
Annual Improvements to FRS Standards 2014-2016 Cycle	1 January 2018
Amendments to FRS 140: Transfers of Investment Property	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
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.

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 2017 was not qualified.

4. Segmental Information

	3 months ended	
	30.09.17	30.09.16
	RM'000	RM'000
Segment Revenue		
Plantation	2,273	1,681
Investment	849	902
Rental	174	0
	<hr/>	<hr/>
Total	3,296	2,583
	<hr/>	<hr/>
Segment results		
Plantation	1,201	901
Investment	2,329	(452)
Rental	133	-
	<hr/>	<hr/>
	3,663	449
Unallocated corporate expenses	(721)	(618)
	<hr/>	<hr/>
Profit/(Loss) from operations	2,942	(169)
	<hr/>	<hr/>
Segment assets		
Plantation	163,072	159,295
Investment	463,111	426,125
	<hr/>	<hr/>
	626,183	585,420
Unallocated corporate asset	-	205
	<hr/>	<hr/>
Total assets	626,183	585,625
	<hr/>	<hr/>

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

There was no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2017.

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 during the current quarter.

9. Debt and Equity Securities

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

10. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

11. Capital Commitments

There are no commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 30 September 2017.

12. Changes in Contingent Liabilities and Contingent Assets

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

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 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)	53	36	53	36
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)	254	276	254	276
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	48	51	48
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	63	63

14. Subsequent Events

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

15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all 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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30.09.17				
Available-for-sale financial assets	169,741	40,577	-	210,318
Investment in precious metal - gold bullion	14,328	-	-	14,328
Freehold land	-	-	102,134	102,134
Investment property	-	-	37,633	37,633
	<u>184,069</u>	<u>40,577</u>	<u>139,767</u>	<u>364,413</u>
30.06.17				
Available-for-sale financial assets	176,603	28,104	-	204,707
Investment in precious metal - gold bullion	14,098	-	-	14,098
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>

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 RM3.30 million for the 1st quarter of financial year ending 30 June 2018. This was better than last year's corresponding quarter of RM2.58 million due to higher tonnage of fresh fruit bunches ("FFB") harvested and dividend income, despite lower interest income.

Rental income from the investment property in London was RM175,000 which was tenanted in September 2016.

For the current quarter, the Group reported an after-tax profit of RM2.87 million while last year's corresponding quarter was after-tax loss of RM1.32 million. This was mainly due:-

- 1) Revenue achieved for the current quarter was higher than a year ago.
- 2) Unrealised foreign exchange gain of RM1.59 million derived while last year's corresponding quarter was a loss of RM 1.06 million.
- 3) Share of loss of associates for the current quarter was RM28,000. This was lower than last year's corresponding quarter's loss of RM978,000.

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

	Current Quarter 30.09.17 RM'000	Preceding Quarter 30.06.17 RM'000	Favourable/(Unfavourable)	
			RM'000	%
Revenue	3,296	4,224	(928)	-22
Operating profit/(loss)	2,942	(1,560)	4,502	289
Share of (Loss) of associate	(28)	(1,604)	1,576	98
Profit/(Loss) before tax	2,914	(3,164)	6,078	192
Profit/(Loss) after tax	2,866	(3,327)	6,193	186
Profit/(Loss) attributable to the equity holder of the company	2,866	(3,327)	6,193	186

For the quarter under review, the Group's revenue of RM3.30 million was lower than the immediate preceding quarter's RM4.22 million despite higher crop sales and interest income. This was mainly due to lower dividend income received.

The Group reported a pre-tax profit of RM2.91 million, a favourable position compared with the immediate preceding quarter which was a pre-tax loss of RM3.16 million. This was mainly due to:-

- 1) The foreign exchange difference for the current quarter was a gain of RM1.59 million, while it was a loss of RM79,000 for the immediate preceding quarter.
- 2) There was impairment loss of RM3.33 million on available-for-sale investments and RM500,000 fair value loss on investment property during the immediate preceding quarter, while there was none in the current 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**

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

- 3) Share of the associates' loss of RM28,000 was lower than the immediate preceding quarter of RM1.60 million .

18. Commentary on Prospects

For the remaining nine-month period of financial year ending 30 June 2018 (October 2017-June 2018), FFB production is expected to be on track for a year-on-year improvement. 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 affected by the market valuations of their investments and currency fluctuations.

19. Profit/(Loss) 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	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Interest income	(302)	(320)	(302)	(320)
Other income including investment income	(721)	(583)	(721)	(583)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	26	15	26	15
Impairment loss of available-for-sale financial assets	n/a	n/a	n/a	n/a
Fair value loss on investment property	n/a	n/a	n/a	n/a
Realised foreign exchange (gain)/loss	4	5	4	5
Unrealised foreign exchange (gain)/loss	(1,591)	1,059	(1,591)	1,059
(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		3 months ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	25	101	25	101
Foreign income tax	23	73	23	73
Total income tax expense	<u>48</u>	<u>174</u>	<u>48</u>	<u>174</u>

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

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 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.

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

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
 Bursa Malaysia Securities Berhad**

26. Earnings/(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		3 months ended	
	30.09.17	30.09.16	30.09.17	30.09.16
Profit/(Loss) attributable to ordinary equity holders (RM'000)	2,866	(1,321)	2,866	(1,321)
Weighted average number of ordinary shares in issue ('000)	66,333	66,333	66,333	66,333
Basic earnings/(loss) per share (Sen)	4.32	(1.99)	4.32	(1.99)

(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 30 September 2017.

27. Cash and cash equivalents

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

	3 months period	
	30.09.17	30.09.16
	RM'000	RM'000
Cash and bank balances	150,917	151,240
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(9,679)	(7,144)
Cash and cash equivalents	<u>141,238</u>	<u>144,096</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 30.09.17 RM'000	As at 30.06.17 RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	151,845	150,541
- Unrealised	9,132	7,540
	160,977	158,081
Total share of retained profits from associated companies:		
- Realised	42,622	42,651
- Unrealised	1,653	1,653
	44,275	44,304
	205,252	202,385
Less: Consolidation adjustments	(44,926)	(44,926)
	<u>160,326</u>	<u>157,459</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 28 November 2017.