

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 31 March 2018

(The figures have not been audited)

		Individual Quarter		Change		Year-to-Date		Change	
		3 months ended	3 months ended	Favourable/	(Unfavourable)	9 months ended	9 months ended	Favourable/	(Unfavourable)
		31.03.18	31.03.17	(RM'000)	%	31.03.18	31.03.17	(RM'000)	%
		RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue	4	2,322	1,950	372	19	9,212	8,072	1,140	14
Other Income		-	1	(1)	-100	23	2	21	1050
Changes in inventories		14	100	(86)	-86	19	44	(25)	-57
Staff costs		(512)	(320)	(192)	-60	(1,176)	(949)	(227)	-24
Depreciation		(31)	(27)	(4)	-15	(94)	(77)	(17)	-22
Subcontract labour costs,									
fertilizer and chemical costs		(611)	(631)	20	3	(2,362)	(1,997)	(365)	-18
Foreign exchange gain/(loss)		1,413	3,844	(2,431)	-63	4,089	(3,260)	7,349	225
Other expenses		(692)	(807)	115	14	(2,161)	(2,248)	87	4
Profit/(Loss) from operations	4	1,903	4,110	(2,207)	-54	7,550	(413)	7,963	1928
Share of profit/(loss) of associates		1,779	(1,030)	2,809	273	2,568	(1,952)	4,520	232
Profit/(Loss) before tax	20	3,682	3,080	602	20	10,118	(2,365)	12,483	528
Income tax (expense)/credit	21	(67)	129	(196)	-152	(157)	(411)	254	62
Profit/(Loss) after tax		3,615	3,209	406	13	9,961	(2,776)	12,737	459
<u>Other Comprehensive Income/(Loss)</u>									
Investments:									
- Gain on fair value changes		18,016	13,055	4,961	38	34,173	14,083	20,090	143
Foreign currency translation		(12,155)	(3,321)	(8,834)	-266	(27,581)	25,334	(52,915)	-209
Share of other comprehensive									
(loss)/income of associates		(188)	3,472	(3,660)	-105	2,299	5,148	(2,849)	-55
Other comprehensive income for the period, net of tax		5,673	13,206	(7,533)	-57	8,891	44,565	(35,674)	-80
Total comprehensive income for the period		9,288	16,415	(7,127)	-43	18,852	41,789	(22,937)	-55
Profit/(Loss) per share attributable to equity holders									
Basic (Sen)	26(a)	5.45	4.84			15.02	(4.18)		
Diluted (Sen)	26(b)	5.45	4.84			15.02	(4.18)		

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

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

(Incorporated in Malaysia)

Consolidated Statement of Financial Position**As at 31 March 2018**

	(Unaudited)	(Audited)
	As at	As at
	31.03.18	30.06.17
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	103,630	103,309
Biological assets	25,295	20,563
Investment property	34,421	38,225
Investment in associates	80,851	85,164
Investments	249,155	218,805
	<u>493,352</u>	<u>466,066</u>
Current assets		
Inventories	61	42
Trade and other receivables	606	348
Prepayments	837	1,016
Tax recoverable	210	412
Cash and bank balances	141,432	150,821
	<u>143,146</u>	<u>152,639</u>
TOTAL ASSETS	<u>636,498</u>	<u>618,705</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	66,333	66,333
Reserves	562,758	545,233
	<u>629,091</u>	<u>611,566</u>
Non-current liabilities		
Other payables	361	331
Provision for retirement benefits	50	45
Deferred tax liability	5,406	5,406
	<u>5,817</u>	<u>5,782</u>
Current liabilities		
Trade and other payables	1,477	1,357
Tax payable	113	-
	<u>1,590</u>	<u>1,357</u>
Total liabilities	<u>7,407</u>	<u>7,139</u>
TOTAL EQUITY AND LIABILITIES	<u>636,498</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 31 March 2018**

(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 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	-	-	2,299	34,173	(27,581)	-	-	9,961	18,852	
Dividends	-	-	-	-	-	-	-	(1,327)	(1,327)	
Closing balance at 31 March 2018	<u>66,333</u>	<u>8,645</u>	<u>141,350</u>	<u>192,495</u>	<u>37,218</u>	<u>5,956</u>	<u>11,000</u>	<u>166,094</u>	<u>629,091</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	-	-	5,148	14,083	25,334	-	-	(2,776)	41,789	
Dividends	-	-	-	-	-	-	-	(1,327)	(1,327)	
Closing balance at 31 March 2017	<u>66,333</u>	<u>8,645</u>	<u>138,418</u>	<u>137,819</u>	<u>73,165</u>	<u>5,956</u>	<u>11,000</u>	<u>160,786</u>	<u>602,122</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 31 March 2018
(The figures have not been audited)

	9 months period	
	31.03.18	31.03.17
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	10,118	(2,365)
Adjustments for:		
Depreciation	94	77
Provision for retirement benefit	34	20
Unrealised foreign exchange (gain)/loss	(4,089)	3,245
Dividend income	(1,112)	(1,182)
Interest income	(946)	(857)
Share of (profit)/loss of associates	(2,568)	1,952
	<hr/>	<hr/>
Operating cash flows before working capital changes	1,531	890
Receivables	166	652
Prepayments	-	(205)
Inventories	(19)	(44)
Payables	125	(970)
	<hr/>	<hr/>
Cash flows generated from operations	1,803	323
Taxes refunded	364	-
Taxes paid	(168)	(260)
	<hr/>	<hr/>
Net cash flows generated from operating activities	1,999	63
INVESTING ACTIVITIES		
(Addition to)/Withdrawal from fixed deposits	(7,454)	5,866
Dividends received	2,129	3,248
Interest received	700	968
Addition to biological assets	(4,732)	(8,572)
Purchase of property, plant and equipment	(415)	(467)
	<hr/>	<hr/>
Cash flows (used in)/generated from investing activities	(9,772)	1,043
FINANCING ACTIVITY		
Dividends paid	(1,327)	(1,327)
	<hr/>	<hr/>
Net cash used in financing activity	(1,327)	(1,327)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(9,100)	(221)
EFFECTS OF EXCHANGE RATE CHANGES		
	(7,743)	7,357
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		
	148,949	143,169
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)		
	<hr/> <hr/>	<hr/> <hr/>
	132,106	150,305

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 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 operations 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.

Malaysian Financial Reporting Standards ("MFRS")

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.

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

Part A - Explanatory Notes Pursuant to FRS 134

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

	9 months ended	
	31.03.18	31.03.17
	RM'000	RM'000
Segment Revenue		
Plantation	6,635	5,643
Investment	2,058	2,039
Rental	519	390
Total	<u>9,212</u>	<u>8,072</u>
Segment results		
Plantation	3,734	3,088
Investment	5,815	(1,668)
Rental	393	-
	<u>9,942</u>	<u>1,420</u>
Unallocated corporate expenses	<u>(2,392)</u>	<u>(1,833)</u>
Profit/(Loss) from operations	<u>7,550</u>	<u>(413)</u>
Segment assets		
Plantation	161,027	158,741
Investment	475,471	450,213
	<u>636,498</u>	<u>608,954</u>
Unallocated corporate assets	<u>-</u>	<u>205</u>
Total assets	<u>636,498</u>	<u>609,159</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 2018.

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 oil 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 2017, as reported in the directors' report of that year, the following dividends were paid for the financial period ended 31 March 2018.

	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 for the financial period ended 31 March 2018.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial period ended 31 March 2018.

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 2018.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 March 2018.

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

Part A - Explanatory Notes Pursuant to FRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 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)	38	34	141	117
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)	273	225	735	685
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	48	51	154	148
Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih, has an interest and Balaraman A/L Annamaly is a common director (recurrent)	63	63	188	188
	<hr/>	<hr/>	<hr/>	<hr/>

14. Subsequent Events

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

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

Part A - Explanatory Notes Pursuant to FRS 134

15. Fair Value Hierarchy

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

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

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31.03.18				
Available-for-sale financial assets	205,401	30,233	-	235,634
Investment in precious metal - gold bullion	13,521	-	-	13,521
Freehold land	-	-	102,134	102,134
Investment property	-	-	34,421	34,421
	<u>218,922</u>	<u>30,233</u>	<u>136,555</u>	<u>385,710</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 changes 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's revenue of RM2.32 million and RM9.21 million for the current quarter and period-to-date respectively were higher than the revenue reported for last year's corresponding quarter of RM1.95 million and period-to-date of RM8.07 million. Crop sales were up by 18% for the current quarter and period-to-date. These were due to higher tonnage harvested mitigated by an 13.5% fall in the average price of fresh fruit bunches ("FFB") when compared to the average FFB price for last year's period-to-date.

For the current quarter, the Group reported an after-tax profit of RM3.62 million which was about 13% higher than last year's corresponding quarter's of RM3.21 million. This was due to :-

- 1) Revenue achieved for the current quarter was RM2.32 million. This was about 19% higher than last year's corresponding quarter's revenue of RM1.95 million.
- 2) Share of profit of associates for the current quarter was RM1.78 million which is a positive turnaround from last year's corresponding quarter's loss of RM1.03 million.
- 3) Foreign exchange difference for the current quarter was a gain of RM1.41 million. This was however lower than last year's corresponding quarter's gain of RM3.84 million.

For the current 9 months to-date, the Group reported an after-tax profit of RM9.96 million which was a positive turnaround from last year's corresponding period-to-date's loss of RM2.78 million. The better performance was due to :-

- 1) Share of profit of associates for the current period-to-date was RM2.57 million which is a positive turnaround from last year's corresponding period-to-date's loss of RM1.95 million.
- 2) Foreign exchange difference for the current period-to-date was a gain of RM4.09 million while last year's corresponding period-to-date's was a loss of RM3.26 million.

Rental income from the investment property in London for the current 9-month period was RM519,000 as compared to last year's 7-month period of RM390,000.

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**

	Current Quarter 31.03.18 RM'000	Preceding Quarter 31.12.17 RM'000	Favourable/(Unfavourable) RM'000	%
Revenue	2,322	3,594	(1,272)	-35
Operating profit	1,903	2,704	(801)	-30
Share of profit of associate	1,779	818	961	117
Profit before tax	3,682	3,522	160	5
Profit after tax	3,615	3,480	135	4
Profit attributable to the equity holder of the company	3,615	3,480	135	4

For the quarter under review, the Group's revenue of RM2.32 million was lower than the immediate preceding quarter's RM3.59 million mainly due to lower FFB prices and no dividend income was received.

The Group reported a pre-tax profit of RM3.68 million for the current quarter as compared to the pre-tax profit of RM3.52 million achieved during the immediate preceding quarter ended 31 December 2017. This was mainly due to the share of associates' profit of RM1.78 million for the current quarter was higher than the immediate preceding quarter's RM818,000.

18. Commentary on Prospects

From the remaining three month period of financial year ending 30 June 2018 (April 2018-June 2018), FFB production will contribute towards a financial year-on-year improvement. The FFB production for the nine month period of financial year ending 30 June 2018 (July 2017 - March 2018) has already exceeded the previous year's FFB production level for the full financial year. We are always cognizant of the challenges that may be posed by adverse weather conditions, labour requirements and pest attacks.

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 its investments and currency fluctuations.

19. Profit/(Loss) Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

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**

20. Profit/(Loss) before Tax

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

	Individual Quarter		Year-To-Date	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Interest income	(351)	(257)	(946)	(857)
Other income including investment income	(172)	(171)	(1,631)	(1,573)
Depreciation and amortization	31	27	94	77
Realised foreign exchange (gain)/loss	(4)	9	-	14
Unrealised foreign exchange (gain)/loss	(1,409)	(3,853)	(4,089)	3,246

21. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		9 months ended	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	24	(247)	68	135
Foreign income tax	43	118	89	276
Total income tax expense/(credit)	<u>67</u>	<u>(129)</u>	<u>157</u>	<u>411</u>

The effective tax rates for the current quarter, period-to-date and last year's corresponding quarter were lower as certain income was not subject to income tax.

For last year's period-to-date, the effective tax rate was 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 31 March 2018.

24. Changes in Material Litigation

There was no pending material litigation 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**

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	
	31.03.18	31.03.17	31.03.18	31.03.17
Profit/(Loss) attributable to ordinary equity holders (RM'000)	<u>3,615</u>	<u>3,209</u>	<u>9,961</u>	<u>(2,776)</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>5.45</u>	<u>4.84</u>	<u>15.02</u>	<u>(4.18)</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 2018.

27. Cash and cash equivalents

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

	3 months period	
	31.03.18	31.03.17
	RM'000	RM'000
Cash and bank balances	141,432	152,177
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(9,326)	(1,872)
Cash and cash equivalents	<u>132,106</u>	<u>150,305</u>

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 May 2018.