

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 30 September 2018
(The figures have not been audited)

| | | Individual Quarter | | Change | | Period-to-Date | | Change | |
|--|-------|--------------------------------------|--------------------|---|------|--------------------------------------|--------------------|---|------|
| | | 3 months ended 30.09.18 RM'000 | 30.09.17 RM'000 | Favourable/ (Unfavourable) RM'000 | % | 3 months ended 30.09.18 RM'000 | 30.09.17 RM'000 | Favourable/ (Unfavourable) RM'000 | % |
| | | Restated* | | | | Restated* | | | |
| Revenue | 4 | 2,348 | 3,296 | (948) | -29 | 2,348 | 3,296 | (948) | -29 |
| Other income | | 1 | 17 | (16) | -94 | 1 | 17 | (16) | -94 |
| Changes in inventories | | 597 | 290 | 307 | 106 | 597 | 290 | 307 | 106 |
| Staff costs | | (594) | (350) | (244) | -70 | (594) | (350) | (244) | -70 |
| Depreciation | | (85) | (67) | (18) | -27 | (85) | (67) | (18) | -27 |
| Subcontract labour costs, fertilizer and chemical costs | | (543) | (815) | 272 | 33 | (543) | (815) | 272 | 33 |
| Foreign exchange gain | | 235 | 1,587 | (1,352) | -85 | 235 | 1,587 | (1,352) | -85 |
| Other expenses | | (1,382) | (1,002) | (380) | -38 | (1,382) | (1,002) | (380) | -38 |
| Fair value gain on biological assets | | 20 | 208 | (188) | -90 | 20 | 208 | (188) | -90 |
| Profit from operations | 4 | 597 | 3,164 | (2,567) | -81 | 597 | 3,164 | (2,567) | -81 |
| Share of (loss)/profit of associates | | (2,833) | 920 | (3,753) | -408 | (2,833) | 920 | (3,753) | -408 |
| (Loss)/Profit before tax | 20 | (2,236) | 4,084 | (6,320) | -155 | (2,236) | 4,084 | (6,320) | -155 |
| Income tax credit/(expense) | 21 | 1 | (48) | 49 | 102 | 1 | (48) | 49 | 102 |
| (Loss)/Profit after tax | | (2,235) | 4,036 | (6,271) | -155 | (2,235) | 4,036 | (6,271) | -155 |
| <u>Other Comprehensive Income/(Loss)</u> | | | | | | | | | |
| Investments: | | | | | | | | | |
| - Net change in fair value taken to equity | | (9,748) | 6,599 | (16,347) | -248 | (9,748) | 6,599 | (16,347) | -248 |
| Foreign currency translation | | 6,892 | (4,242) | 11,134 | 262 | 6,892 | (4,242) | 11,134 | 262 |
| Other comprehensive (loss)/income for the period , net of tax | | (2,856) | 2,357 | (5,213) | -221 | (2,856) | 2,357 | (5,213) | -221 |
| Total comprehensive (loss)/ income for the period | | (5,091) | 6,393 | (11,484) | -180 | (5,091) | 6,393 | (11,484) | -180 |
| (Loss)/Profit per share attributable to equity holders | | | | | | | | | |
| Basic (Sen) | 26(a) | (3.37) | 6.08 | | | (3.37) | 6.08 | | |
| Diluted (Sen) | 26(b) | (3.37) | 6.08 | | | (3.37) | 6.08 | | |

* Prior year figures were restated upon adoption of MFRS.

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 2018

| | (Unaudited) | Restated* | Restated* |
|--|-----------------|-----------------|-----------------|
| | As at | As at | As at |
| | 30.09.18 | 30.06.18 | 01.07.17 |
| | RM'000 | RM'000 | RM'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 104,730 | 104,241 | 103,309 |
| Bearer plants | 32,378 | 30,902 | 24,731 |
| Investment property | 36,889 | 35,980 | 38,225 |
| Investment in associates | 83,697 | 84,331 | 85,164 |
| Investments | 235,670 | 244,428 | 218,805 |
| | <u>493,364</u> | <u>499,882</u> | <u>470,234</u> |
| Current assets | | | |
| Inventories | 623 | 26 | 42 |
| Biological assets | 138 | 118 | 128 |
| Trade and other receivables | 600 | 797 | 348 |
| Prepayments | 888 | 1,031 | 1,016 |
| Tax recoverable | 127 | 101 | 474 |
| Cash and bank balances | 145,407 | 143,980 | 150,821 |
| | <u>147,783</u> | <u>146,053</u> | <u>152,829</u> |
| TOTAL ASSETS | <u>641,147</u> | <u>645,935</u> | <u>623,063</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders | | | |
| of the Company | | | |
| Share capital | 66,333 | 66,333 | 66,333 |
| Reserves | 565,901 | 570,992 | 549,528 |
| | <u>632,234</u> | <u>637,325</u> | <u>615,861</u> |
| Non-current liabilities | | | |
| Other payables | 399 | 387 | 336 |
| Provision for retirement benefits | 54 | 51 | 41 |
| Deferred tax liability | 5,344 | 5,344 | 5,406 |
| | <u>5,797</u> | <u>5,782</u> | <u>5,783</u> |
| Current liabilities | | | |
| Trade and other payables | 3,002 | 2,695 | 1,357 |
| Tax payable | 114 | 133 | 62 |
| | <u>3,116</u> | <u>2,828</u> | <u>1,419</u> |
| Total liabilities | <u>8,913</u> | <u>8,610</u> | <u>7,202</u> |
| TOTAL EQUITY AND LIABILITIES | <u>641,147</u> | <u>645,935</u> | <u>623,063</u> |

* Prior year figures were restated upon adoption of MFRS.

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 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 2018 (as previously stated) | 66,333 | 8,645 | 136,581 | 186,429 | 55,540 | 5,956 | 11,000 | 162,471 | 632,955 |
| Prior year adjustments | - | - | (194) | (3,495) | - | - | - | 8,059 | 4,370 |
| Opening balance at 1 July 2018 (as restated) | 66,333 | 8,645 | 136,387 | 182,934 | 55,540 | 5,956 | 11,000 | 170,530 | 637,325 |
| Total comprehensive (loss)/income for the period | - | - | - | (9,748) | 6,892 | - | - | (2,235) | (5,091) |
| Closing balance at 30 September 2018 | 66,333 | 8,645 | 136,387 | 173,186 | 62,432 | 5,956 | 11,000 | 168,295 | 632,234 |
| Opening balance at 1 July 2017 (as previously stated) | 66,333 | 8,645 | 139,051 | 158,322 | 64,799 | 5,956 | 11,000 | 157,459 | 611,565 |
| Prior year adjustments | - | - | (2,665) | (3,333) | 2,665 | - | - | 10,294 | 6,961 |
| Opening balance at 1 July 2017 (as restated) | 66,333 | 8,645 | 136,386 | 154,989 | 67,464 | 5,956 | 11,000 | 167,753 | 618,526 |
| Total comprehensive income/(loss) for the period (as previously stated) | - | - | 948 | 6,436 | (4,242) | - | - | 2,866 | 6,008 |
| Prior year adjustments | - | - | (948) | - | - | - | - | 1,170 | 222 |
| Total comprehensive income/(loss) for the period (as restated) | - | - | - | 6,436 | (4,242) | - | - | 4,036 | 6,230 |
| As at 30 September 2017 (as restated) | 66,333 | 8,645 | 136,386 | 161,425 | 63,222 | 5,956 | 11,000 | 171,789 | 624,756 |

* The opening balances were restated upon adoption of MFRS.

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 2018

(The figures have not been audited)

| | 3 months period | |
|---|------------------------|-------------------|
| | 30.09.18 | 30.09.17 |
| | RM'000 | RM'000 |
| | | (Restated) |
| OPERATING ACTIVITIES | | |
| (Loss)/Profit before taxation | (2,236) | 4,084 |
| Adjustments for: | | |
| Depreciation | 85 | 67 |
| Provision for retirement benefit | 15 | 11 |
| Unrealised foreign exchange (gain)/loss | (238) | (1,591) |
| Dividend income | (520) | (547) |
| Interest income | (422) | (301) |
| Fair value (gain)/loss on biological assets | (20) | (263) |
| Share of loss/(profit) of associates | 2,833 | (920) |
| | <hr/> | <hr/> |
| Operating cash flows before working capital changes | (503) | 540 |
| Receivables | 4 | (129) |
| Prepayments | 143 | - |
| Inventories | (597) | (290) |
| Payables | 305 | 1,374 |
| | <hr/> | <hr/> |
| Cash flows (used in)/from operations | (648) | 1,495 |
| Taxes paid | (40) | (63) |
| | <hr/> | <hr/> |
| Net cash flows (used in)/from operating activities | <u>(688)</u> | <u>1,432</u> |
| INVESTING ACTIVITIES | | |
| Addition to fixed deposits | (9,642) | (7,806) |
| Dividends received | 520 | 547 |
| Interest received | 615 | 191 |
| Purchase of property, plant and equipment | (2,050) | (1,877) |
| | <hr/> | <hr/> |
| Cash flows used in investing activities | <u>(10,557)</u> | <u>(8,945)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (11,245) | (7,513) |
| EFFECTS OF EXCHANGE RATE CHANGES | 3,029 | (198) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | 75,419 | 148,949 |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27) | <u>67,203</u> | <u>141,238</u> |

* Prior year figures were restated upon adoption of MFRS.

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 MFRS 134

1. Basis of Preparation

The interim financial statements of the Group for the financial period ended 30 September 2018 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), including MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards, MFRS 141: Agriculture, MFRS 15: Revenue from Contracts with Customers and MFRS 9: Financial Instruments.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017 throughout all financial periods presented, as if these policies had always been in effect.

The interim financial statements have been prepared on a historical cost basis, except for freehold land included within property, plant and equipment, investment properties, investment in precious metals, available-for-sale investments and biological assets that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. Significant accounting policies

Changes in accounting policies

During the financial period, the Group has considered the new accounting policies in the preparation of the financial statements, as follows:

- Amendments to MFRS 107: Statement of Cash Flows - Disclosure Initiative
- Amendments to MFRS 112: Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to MFRS 12: Annual improvements to MFRSs 2014-2016 Cycle
- Amendments to MFRS 2: Classifications and Measurement of Share-based Payment Transactions
- Amendments to MFRS 140: Transfers of Investment Property
- IC interpretation 22: Foreign Currency Translations and Advance Considerations

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

Standards and interpretations issued but not yet effective

- MFRS 16 Leases
- MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)
- Annual Improvements to MFRS Standards 2015–2017 Cycle
- MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- MFRS 17 Insurance Contracts
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Conceptual Framework for Financial Reporting: The Reporting Entity and corresponding amendments to references in the relevant standards
- Sale or contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

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

Part A - Explanatory Notes Pursuant to MFRS 134

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2018 was not qualified.

4. Segmental Information

| | 3 months ended | |
|--------------------------------|-----------------------|-----------------|
| | 30.09.18 | 30.09.17 |
| | RM'000 | RM'000 |
| Segment Revenue | | |
| Plantation | 1,239 | 2,273 |
| Investment | 942 | 849 |
| Rental | 167 | 174 |
| Total | <u>2,348</u> | <u>3,296</u> |
| Segment results | | |
| Plantation | 565 | 1,423 |
| Investment | 1,082 | 2,329 |
| Rental | 105 | 133 |
| | <u>1,752</u> | <u>3,885</u> |
| Unallocated corporate expenses | <u>(1,155)</u> | <u>(721)</u> |
| Profit from operations | <u>597</u> | <u>3,164</u> |
| Segment assets | | |
| Plantation | 169,798 | 167,590 |
| Investment | <u>471,349</u> | <u>463,111</u> |
| Total assets | <u>641,147</u> | <u>630,701</u> |

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

Prior year figures were restated due to adoption of MFRS. Other than adoption of MFRS, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2018.

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 oil palms.

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

Part A - Explanatory Notes Pursuant to MFRS 134

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 and year-to-date.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year ended 30 September 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 30 September 2018.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2018.

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

Part A - Explanatory Notes Pursuant to MFRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

| | Individual Quarter | | Year-To-Date | |
|--|---------------------------|-----------------|---------------------|-----------------|
| | 30.09.18 | 30.09.17 | 30.09.18 | 30.09.17 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent) | 33 | 53 | 33 | 53 |
| Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent) | 254 | 254 | 254 | 254 |
| Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent) | 43 | 51 | 43 | 51 |
| Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih Justin, has an interest and Balaraman A/L Annamaly is a common director (recurrent) | 63 | 63 | 63 | 63 |

14. Subsequent Events

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

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

Part A - Explanatory Notes Pursuant to MFRS 134

15. Fair Value Hierarchy

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

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 30.09.18 | | | | |
| Available-for-sale financial assets | 193,658 | 29,040 | - | 222,698 |
| Investment in precious metal - gold bullion | 12,972 | - | - | 12,972 |
| Freehold land | - | - | 102,134 | 102,134 |
| Investment property | - | - | 36,889 | 36,889 |
| Biological assets | - | - | 138 | 138 |
| | <u>206,630</u> | <u>29,040</u> | <u>139,161</u> | <u>374,831</u> |
| 30.06.18 | | | | |
| Available-for-sale financial assets | 201,697 | 29,405 | - | 231,102 |
| Investment in precious metal - gold bullion | 13,326 | - | - | 13,326 |
| Freehold land | - | - | 102,134 | 102,134 |
| Investment property | - | - | 35,980 | 35,980 |
| Biological assets | - | - | 118 | 118 |
| | <u>215,023</u> | <u>29,405</u> | <u>138,232</u> | <u>382,660</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 recorded revenue of RM2.35 million for the 1st quarter of financial year ending 30 June 2019. This was lower than last year's corresponding quarter of RM3.30 million due to 29.79% decline in tonnage of fresh fruit bunches ("FFB") harvested and 22.38% fall in FFB sales price. Dividend income and interest income were also lower than last year's corresponding quarter's.

Rental income from the investment property in London, which has been tenanted since September 2016 was RM166,971.

For the current quarter, the Group reported an after-tax loss of RM2.24 million while last year's corresponding quarter was an after-tax profit of RM4.04 million. This was mainly due to:-

- 1) Revenue achieved for the current quarter was lower than last year's corresponding quarter's.
- 2) Share of the financial results of the associates was a loss of RM2.83 million for the current quarter while last year's corresponding quarter was a profit of RM920,000.
- 3) Foreign exchange gain of RM235,000 for the current quarter was significantly lower than last year's corresponding quarter's gain of RM1.59 million.

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

| | Current | Preceding | Favourable/(Unfavourable) | |
|--|-----------------|-------------------|----------------------------------|----------|
| | Quarter | Quarter | | |
| | 30.09.18 | 30.06.18 | | |
| | RM'000 | RM'000 | RM'000 | % |
| | | (Restated) | | |
| Revenue | 2,348 | 4,981 | (2,633) | -53 |
| Operating profit/(loss) | 597 | (1,308) | 1,905 | 146 |
| Share of loss of associate | (2,833) | (8,101) | 5,268 | 65 |
| Loss before tax | (2,236) | (9,409) | 7,173 | 76 |
| Loss after tax | (2,235) | (9,379) | 7,144 | 76 |
| Loss attributable to the equity holder of the company | (2,235) | (9,379) | 7,144 | 76 |

For the quarter under review, the Group's revenue of RM2.35 million was lower than the immediate preceding quarter's of RM4.98 million despite higher crop sales and interest income. This was mainly due to lower dividend income as RM520,000 was received during the current quarter as compared to the immediate preceding quarter's receipt of RM3.37 million.

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**

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

The Group reported a pre-tax loss of RM2.24 million for the current quarter which was lower than the immediate preceding quarter's loss of RM9.41 million. This was mainly due to the foreign exchange gain of RM235,000 for the current quarter while the immediate preceding quarter was a loss of RM3.87 million. Share of associates' loss of RM2.83 million was significantly lower than the immediate preceding quarter's loss of RM8.10 million.

18. Commentary on Prospects

For the remaining nine-month period of the financial year ending 30 June 2019 (October 2018 – June 2019), the Company expects total FFB production for the current financial year to be lower than the financial year ended 30 June 2018 (July 2017 – June 2018). Due to weather conditions which impacted FFB production for 1Q2019 (July 2018 – September 2018), the actual FFB production fell below our expectations for the period (1Q2019). As such, the Company expects a lower financial year-on-year FFB production.

Challenges faced by the plantation operations include adverse weather conditions, labour constraints and pest attacks.

Overall, with the lower expected FFB production relative to the previous year, the Group expects performance from the plantation segment for financial year ending 30 June 2019 to be challenging.

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.

20. Profit/(Loss) before Tax

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

| | Individual Quarter | | Year-To-Date | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30.09.18 RM'000 | 30.09.17 RM'000 | 30.09.18 RM'000 | 30.09.17 RM'000 |
| Interest income | (421) | (302) | (421) | (302) |
| Other income including investment income | (687) | (721) | (687) | (721) |
| Depreciation and amortization | 85 | 67 | 85 | 67 |
| Fair value gain on biological assets | (20) | (208) | (20) | (208) |
| Realised foreign exchange loss | 4 | 4 | 4 | 4 |
| Unrealised foreign exchange gain | (239) | (1,591) | (239) | (1,591) |

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 | |
| | 30.09.18 | 30.09.17 | 30.09.18 | 30.09.17 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax: | | | | |
| Malaysian income tax | 14 | 25 | 14 | 25 |
| Foreign income tax | 20 | 23 | 20 | 23 |
| Over provision of income tax in prior years | | | | |
| Foreign tax | (35) | - | (35) | - |
| Total income tax (credit)/expense | <u>(1)</u> | <u>48</u> | <u>(1)</u> | <u>48</u> |

The effective tax rates for the current quarter was higher than the statutory tax rate applicable in Malaysia as certain expenses were not deductible for tax purposes.

The effective tax rate for last year corresponding's quarter was lower as certain income was not subject tax.

During the current quarter, there was a write back of prior-year foreign income tax over-provision of RM35,000. This arose from the London investment property which was tenanted in September 2016.

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

| | Individual Quarter | | Year-To-Date | |
|--|---------------------------|-----------------|-----------------------|-----------------|
| | 3 months ended | | 3 months ended | |
| | 30.09.18 | 30.09.17 | 30.09.18 | 30.09.17 |
| (Loss)/Profit attributable to ordinary equity holders (RM'000) | <u>(2,235)</u> | <u>4,036</u> | <u>(2,235)</u> | <u>4,036</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>66,333</u> | <u>66,333</u> | <u>66,333</u> | <u>66,333</u> |
| Basic (loss)/earnings per share (Sen) | <u>(3.37)</u> | <u>6.08</u> | <u>(3.37)</u> | <u>6.08</u> |

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there is no dilutive potential ordinary shares outstanding as at 30 September 2018.

27. Cash and cash equivalents

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

| | 30.09.18 | 30.09.17 |
|--|----------------------|-----------------------|
| | RM'000 | RM'000 |
| Cash and bank balances | 145,407 | 150,917 |
| Less: Short-term deposits with a licensed bank with maturities more than 90 days | (78,204) | (9,679) |
| Cash and cash equivalents | <u><u>67,203</u></u> | <u><u>141,238</u></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 29 November 2018.